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MACKENZIE VALLEY PIPELINE INQUIRY

Government
Publication

IN THE MATTER OF THE APPLICATIONS BY EACH OF

(a) CANADIAN ARCTIC GAS PIPELINE LIMITED FOR A
RIGHT-OF-WAY THAT MIGHT BE GRANTED ACROSS
CROWN LANDS WITHIN THE YUKON TERRITORY AND
THE NORTHWEST TERRITORIES, and

(b) FOOTHILLS PIPE LINES LTD. FOR A RIGHT-OF-WAY
THAT MIGHT BE GRANTED ACROSS CROWN LANDS
WITHIN THE NORTHWEST TERRITORIES

FOR THE PURPOSE OF A PROPOSED MACKENZIE VALLEY PIPELINE

and

IN THE MATTER OF THE SOCIAL, ENVIRONMENTAL AND
ECONOMIC IMPACT REGIONALLY OF THE CONSTRUCTION,
OPERATION AND SUBSEQUENT ABANDONMENT OF THE ABOVE
PROPOSED PIPELINE

(Before the Honourable Mr. Justice Berger, Commissioner)

Yellowknife, N.W.T.

November 19, 1976.

PROCEEDINGS AT INQUIRY

Volume 204

347
M835
Vol. 204

CANADIAN ARCTIC
GAS STUDY LTD.

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Mr. Stephen T. Goudge,
Mr. Alick Ryder, and
Mr. Ian Roland, for Mackenzie Valley Pipeline
Inquiry;

Mr. Pierre Genest, Q.C.,
Mr. Jack Marshall,
Mr. Darryl Carter,
Mr. J.T. Steeves, and for Canadian Arctic Gas Pipe-
Mr. Gerry Ziskrout, line Limited;

Mr. Reginald Gibbs, Q.C.,
Mr. Alan Hollingworth,
Mr. John W. Lutes, and for Foothills Pipe Lines Ltd.;
Mr. Ian MacLachlan,
Mr. Russell Anthony,
Prof. Alastair Lucas and
Mr. Garth Evans, for Canadian Arctic Resources
Committee;

Mr. Glen W. Bell and
Mr. Gerry Sutton, for Northwest Territories
Indian Brotherhood,

Mr. John Bayly and
Miss Lesley Lane, for Inuit Tapirisat of Canada,
and The Committee for
Original Peoples Entitle-
ment;

Mr. Ron Veale and
Mr. Allen Lueck, for The Council for the Yukon
Indians;

Mr. Carson Templeton, for Environment Protection
Board;

Mr. David H. Searle, Q.C.
for Northwest Territories
Chamber of Commerce;

Mr. Murray Sigler and for The Association of Municipi-
Mr. David Reesor, palities;

Mr. John Ballem, Q.C., for Producer Companies (Imperial,
Shell & Gulf);

Mrs. Joanne MacQuarrie, for Mental Health Association
of the Northwest Territor-
ies.

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1 Yellowknife, N.W.T.

2 November 19, 1976

3 (PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

4 MR. SCOTT: Mr. Commissioner,

5 I think we're ready to begin this morning. The first
6 submission will be made by Mr. Hardy for the Metis
7 Association of the Northwest Territories.

8 MR. HARDY: Well, sir,

9 before I begin I should explain something to you,
10 try to use a bit of an analogy to get the point
11 across.

12 When I met you in the hallway
13 yesterday you mentioned that you hadn't seen me around
14 in some 20 months, which is quite true. Now, the
15 last time that I spoke to you, I think you could
16 consider at that time our Association was in what
17 could be looked at as a marriage situation. Since
18 that time the marriage has gone rotten and we've
19 recently received the final decree for our divorce,
20 you might say. So we're in a position where we can
21 come before you and speak today and say what is really
22 on our mind without having to worry about going home
23 and being hen-pecked about it. So you might see a
24 different change in our attitude today.

25 The final submission of
26 the Metis Association will cover four areas relating
27 to social and economic matters which we consider as
28 being most relevant to us as Metis people, and which
29 we consider as being the major points for your con-
30 sideration.

1 Firstly, we are of the view
2 that a settlement should be made between the native
3 people of the Northwest Territories and the Federal
4 Government before construction of the Mackenzie
5 Valley Gas Pipeline.

6 Our reasons for saying this
7 are that the Metis people for one believe that they
8 as a distinct group of people with both Indian and
9 white origin, are entitled to compensation from the
10 Federal Government as a result of our Indian title
11 or whatever rights have accrued to us because of our
12 origin and association with the Indian people.

13 In the Northwest Territories
14 this Indian title or accrued rights were first
15 recognized by the Federal Government in 1921 when
16 the Federal Government set up the Half-Breed Commission
17 to deal with the Metis people. The intention of the
18 Federal Government appears to have been that they
19 wanted to deal with the Metis people at the same time
20 they made treaty with the Indian people.

21 Without wanting to necessarily
22 delve too much on the past we would like to give you
23 the results of our research into the matter of Half-
24 Breed scrip to our people in the years 1921 to 1924.

25 Up to the time that scrip was
26 given to Metis people in the north, the practice had
27 been established in Western Canada that Metis people
28 were given land scrip, which comprised of a piece of
29 paper entitling each Metis household to choose 160
30 acres of land for their use. This system of scrip,

1 however, was subject to certain abuses so the granting
2 of scrip in the Mackenzie River area was changed to
3 provide cash in the amount of \$240 for each Metis
4 person.

5 On April 12, 1921 the Privy
6 Council Order No. 1172 was passed by the Federal
7 Government. The Privy Council order had as its
8 main clause the following:

9 "The undersigned has the honor to report that
10 concurrently with the treaty to be made dur-
11 ing the coming season with the Indians of
12 the Mackenzie River District and such territory
13 adjacent thereto as is deemed advisable to
14 include within the treaty, with a view to the
15 extinguishment of the aboriginal title to the
16 lands in the said district and territory, it
17 will be necessary, in accordance with the past
18 practice in such cases, to deal with the claims
19 arising out of the extinguishment of the Indian
20 title of the Half-Breeds resident within the
21 territory covered by the proposed treaty,
22 except those Half-Breeds who have already been
23 dealt with in connection with territory pre-
24 viously ceded by the Indians under treaty."

25 Mr. H.A. Conroy, who was also
26 the Treaty Commissioner for Treaty 11, was appointed
27 Half-Breed Commissioner. Therefore at the same time
28 that treaty was made with the Indians all along the
29 Mackenzie River, application forms were signed by Half-
30 Breeds who wanted scrip. There was a choice given to

1 the Half-Breeds who were living like the Indian people
2 to either take treaty or take scrip.

3 (ARGUMENT BY MR. HARDY FOR METIS ASSOCIATION OF
4 N.W.T. MARKED EXHIBIT 903)

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1 You, therefore, find that there
2 were some Metis people who in fact took treaty and are
3 still considered today as treaty Indians.

4 Scrip was not, however, paid
5 until 1924. What apparently happened was that though
6 the Privy Council Order authorized the giving of money,
7 this was not possible as the then existing Dominion
8 Lands Act authorized only the giving of land.

9 Thus, when Mr. Conroy travelled
10 down the Mackenzie River he took applications from
11 Half-Breeds and promised them that they would be given
12 money after their applications have been authorized
13 in Ottawa. Mr. Conroy received 176 applications for
14 scrip which he took back with him to Ottawa.

15 During the summer of 1924 and
16 a few years afterwards, cash was paid to the Half-
17 Breeds.

18 Privy Council Order 471 was passed
19 on March 26, 1924. The earlier Privy Council Order 1172
20 only applied to the Treaty 11 area. The government
21 found that Half-Breeds in Fort Smith, Resolution,
22 and Hay River, that is the Treaty 8 area, had not
23 been given scrip, therefore, it was necessary to get
24 a Privy Council Order to authorize the giving of scrip
25 to these Half-Breeds.

26 There were thirty-five Half-Breeds
27 claiming scrip in this area. Privy Council Order 1100
28 was passed on July 9th, 1925. This order was necessary
29 as the Half-Breed Commissioner had died and as most
30 of the Half-Breeds were dealt with, any further

1 application for Half-Breeds for script was to be handle
2 by the Minister of the Interior.

3 A report was made on December
4 3, 1929 by Mr. N. O. Cote of the Dominion Lands Board,
5 Department of the Interior stating that 172 Half-Breed
6 claims were allowed and paid. The report is written
7 as follows:

8 "There were in the Mackenzie River District 172
9 Half-Breed claims allowed, and such claims were
10 satisfied by the payment of \$240.00 in cash to
11 each of the claimants, aggregating \$41,280.00
12 The compensation in these cases was paid to the
13 claimants by officers of the Department of the
14 Interior on their annual visits to that
15 territory.

16 With the settlement of the claims last referred
17 to, it is confidently believed that the claims
18 of the Half-Breeds arising out of the
19 extinguishment of the Indian title have been
20 finally closed".

21 So, for \$41,280.00 the Half-Breeds
22 had supposedly given up all their aboriginal rights.

23 We, of course, today, must ~~like~~
24 the Treaty Indians who are pressing their aboriginal
25 right claims in court, take that the granting of script
26 did not extinguish rights of the Metis people. We query
27 whether a unilateral approach as was taken could
28 effectively extinguish our inherent rights.

29 The second reason, we submit,
30 for believing that a pipeline should not be started before

1 a land settlement is made is that the settlement which
2 we would propose to the Federal Government would provide
3 for matters which would ensure our success in the future.
4 We, as Metis people, see our future in the milieu or
5 context of pipeline or other development in the North.

6 In the area of political
7 development we have not joined with the Indian people
8 in their quest for the establishment of a Dene
9 government. Whereas we were interested at one time
10 in participating with the Indian people, such interest
11 has waned because we were not able to agree on the
12 most fundamental terms; that is the role and
13 participation which Metis people would have in such
14 a system of government. We are, therefore, looking at
15 other alternatives. We are taking a serious look at
16 the present system of government in the North. That is,
17 the N. W. T. Legislature and administration.

18 Our present thinking is that our
19 land claims submission to the Federal Government will
20 likely include provisions which will guarantee in terms
21 of numbers of seats and numbers of positions in the
22 administration our participation in this form of
23 government.

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1 In the area of economic
2 development our land claims will likely be similar
3 to the Alaskan people's settlement in that emphasis will
4 be on developing structures and assisting individuals
5 to take part in the developments occurring in the
6 north today, and in the future. We recognize firstly
7 that any country in the world or any part of Canada
8 in order to prosper, requires economic development.
9 Otherwise apathy and depression sets in. As far as
10 Metis people are concerned, we have come to depend on
11 wage employment and many Metis people have small
12 businesses. We cannot now endorse or suggest an
13 economic future which will in any way hinder or
14 adversely effect such an economic state. We therefore
15 look to the construction of the pipeline as one of the
16 major economic projects which we wish to take part in.

17 In the area of social and
18 cultural matters I simply want to state that we as
19 Metis people believe ourselves to be a distinct recog-
20 nizable group of people who first lived among the
21 Indian people and now live amongst both Indian and
22 white people.

23 Just so there is no misunder-
24 standing about our position, when our forefathers
25 came into the north they settled down amongst the
26 Indian people. The greatest tribute anyone can pay
27 to a people is to understand and accept them as a
28 people. Our forefathers did this by living amongst
29 and marrying Indian people. The result has been a
30 Half-Breed or a Metis. We say we are not Indian,

[illegible]

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1 in detail all the matters which will be necessary
2 for the general well-being of the Indian people if a
3 pipeline is constructed.

4 Let me explain. The first
5 chapter of your staff report deals with the subject of
6 native society. In this section recommendations are
7 made in respect of such matters as land use, renewable
8 resources and wildlife management. In the recommen-
9 dations on land use, the submission reads in part:

10 "In the event of pipeline development being
11 agreed upon prior to the settlement of land
12 claims, the interest of native people would
13 require special protection and the following
14 are recommended at least as partial and
15 interim measures."

16 Then two recommendations are
17 made in respect of native people having an important
18 role in choosing lands around their communities. The
19 obvious question is why are the recommendations made
20 only as partial and interim measures?

21 We submit that the recommenda-
22 tions provided thus far in this area are at best
23 vague and so general and as such would not tell the
24 Federal Government definitively what should be done.
25 Considering that land is the central concern of the
26 Indian people, we submit that lands, how and when lands
27 are to be chosen, what mechanism will be used to
28 choose and secure lands should be specifically detailed
29 to provide for full and complete measures rather than
30 as partial and interim measures and generally dealt

1 with in a cursory manner.

2 You should take the practical
3 and conservative view and consider seriously the possi-
4 bility that the Federal Government may not be prepared
5 to make a settlement with the native people by the
6 time construction of the pipeline is started. As
7 stated earlier, too much emphasis is placed on the
8 likelihood of there being a land settlement with
9 the native people before a pipeline is started.

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1 Your final report should place
2 a great deal of emphasis on this possibility and make
3 appropriate recommendations. The Federal Government
4 looks to you for specific definitive guidance. I just
5 want to make sure that our point on that particular
6 section is understood. Our first choice is definitely
7 that there should not be a pipeline before a land
8 settlement, but we do not feel that we should put all
9 our eggs in one basket in the hope that the government
10 will accept that recommendation and we're saying in the
11 event that it is not accepted you should bring forward
12 some specific recommendations if that happens.

13 The Metis Association is taking
14 the practical approach to life in this regard. First,
15 just this past weekend a Board of Directors of our
16 Association met in Yellowknife and after much con-
17 sideration of the approach it should take towards its
18 people instructed the executive to begin immediately
19 to prepare the Metis people for the inevitable con-
20 struction of the pipeline. Our view is that to do
21 otherwise, that is to wait and hope that the pipeline
22 will go away or that you will be able to safeguard every
23 evil or outside detrimental influence is utopia and
24 unrealistic.

25 Secondly, the Metis Association
26 has taken definite steps to set up a Metis Development
27 Corporation, and are presently investigating the best
28 means be it legislative or otherwise to establish such
29 a corporation. In this regard, we note that your staff
30 at page 30 of the Native Land Claims section state that

1 they have real reservations about the viability of a
2 native corporation due to their belief that native
3 people may not endorse such a scheme. We wish to
4 impress on you our feelings that we do not want--that
5 we do want such a development corporation with the
6 definite purpose of taking part in pipeline development.

7 We as Metis people would never
8 have survived if we had waited for "good weather" or
9 some turn of event guaranteeing our survival. We have
10 learned the hard way that we have to guarantee our
11 own survival rather than depend on somebody else.

12 The third point that we wish to
13 make is that we do not agree with your staff's view
14 of native society as indicated in the report to you.
15 The views expressed are too idealistic and too
16 protective. The picture is given in chapter one covering
17 native society of native people living in bush camps
18 and small settlements and all having some dependence
19 on the land.

20 We state emphatically that such
21 is not how native society is in the North today. Maybe
22 that was the way native society was thirty years ago,
23 not today. In this regard, our Association may have
24 been at fault in not making a greater effort while in
25 the communities to point out Metis people and factors
26 which would show that most of the native people in the
27 North now live in communities year round and at best
28 depend on the land only in a subsidiary way.

29 We, as Metis people, object
30 strenuously to the idealistic view taken of native people

1 and its association or attachment to the land. No
2 useful purpose is served by such an idealistic view.
3 We concur that native people have a certain use,
4 attachment and love of the land, but such feeling is not
5 based on a daily grueling and tough existence made from
6 the land. Do white people in the south who work daily
7 in the factories look upon the factory in such a loving
8 and emotionally attached way?

9 We submit that life on the land
10 is tough, so tough that the majority of native people
11 have left such life on the land to live in communities
12 and have taken and accepted such things, services and
13 commodities as government built houses, fuel oil stoves
14 for their heat, electricity and food from the stores.

15 We regret that your staff report
16 does not mention the Metis people anywhere in the report
17 except for some reference to the Reil Rebellion and the
18 Metis fight for land and political rights in western
19 Canada in the last 1800's.

20 We also note that Indian and
21 Metis people are lumped under one umbrella of native
22 people. In doing this, your staff is either blind to
23 our existence or are refusing to recognize a significant
24 aspect of native society as it exists today in the
25 North. Just as Metis people were the forerunners in
26 respect of the early development of the North in such
27 things as carrying of mail by dogteam and the steering
28 of large boats on the Mackenzie River, today Metis
29 people are busy working at jobs and at business
30 activities in all aspects of northern life.

1 This is not to say that in moving
2 away from the trapping and hunting life that Metis
3 people are wiping away that aspect of their cultural
4 heritage, but we are also taking on and receptive to
5 other ways of making a living.

6 The number of Metis people living
7 in the North today has been subject to recent
8 controversy. The Brotherhood says that we are not more
9 than 2,500 in number. Your staff report gives us the
10 figure of 4,500. The Federal Government states that
11 we are 7,000 in number. We are also aware that a
12 recent N. W. T. government report says that we are
13 12,000 in number. Our Board of Directors have recently
14 determined that there are 7,200 Metis people living
15 in the North today, and such an estimate is a
16 conservative number.

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EX-111
BURNABY 2, B.C.

1 On this whole numbers game,
2 up to now our Association has been using the figure
3 of there being between 8 to 10,000 people. Now, we
4 are not backing off on that figure. We're saying there
5 are 7,200 resident in the Territories, which in our
6 view is a conservative estimate; but there are a
7 number of people living in the provinces that have
8 moved there because of the past economic conditions
9 of the north and would like some day to come back
10 here when there are jobs available. So we still
11 stand by our figure of there being an estimate of
12 8 to 10,000 people who would be covered under a land
13 claim that we would submit.

14 We make the submission that
15 in the community hearings too much emphasis was placed
16 on getting the evidence of older Indian people. Older
17 Indian people, of course, extoll the great bush life,
18 now having retired from that life and living comfortably
19 in the communities. Also in submissions made by
20 younger native people we believe that the views
21 expressed by them are that of the headquarter Brother-
22 hood staff. In both respects the opinions of Indian
23 and Metis people who daily work hard for their living
24 and who see the wage economy and small businesses
25 as ways of making their living, were not sufficiently
26 represented to you. Metis people in communities and
27 in large centres have come to depend on wages and
28 small businesses for a living and look to that way of
29 life in the future.

30 So we plead with you

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1 for such projects as sawmills and tourist lodges to
2 succeed, you need roads and large markets in order
3 to enable -- in order to be able to transport and
4 sell the produce as well as other means of transport
5 to get clients to the lodges.

6 We therefore conclude that
7 in your report to the Federal Government you should
8 be realistic about economic matters and make recommen-
9 dations which take into consideration the types of
10 businesses that native people want as well recognizing
11 the need for an economic climate in which such
12 native businesses are likely to succeed.

13 We wish to conclude our
14 submission by citing one of our Metis philosophers,
15 Mr. Ted Trindell of Fort Simpson. Ted Trindell, who
16 is now 75 years old, has spent 35 years as a trapper
17 and is now living in town and is involved in different
18 community projects such as alcoholic rehabilitation and
19 native Court workers. Mr. Trindell stresses education
20 as the key to success for native people. His philosophy
21 is that young people must learn to take the same
22 approach to today's society as a trapper does towards
23 the animals he depends upon for his living. He says
24 trapping essentially consists of outwitting the
25 animals and trapping them. He says today's young people
26 must recognize the forces that operate in our society
27 and be competitive. He says that native people in
28 order to survive must be as good or better than
29 anyone else. Otherwise, he says, like the trapper
30 who fails to outwit the animals, the person who is not

1 competitive will not be able to survive in today's
2 modern society.

3 Sir, just one last thing.
4 Everyone is closing off their submissions, congratula-
5 ting you on a job well done. We would like to do the
6 same thing, and if it's in order, we'd like to make
7 a personal presentation to you.

8 "To Tom Berger, at the close of the Mackenzie
9 Valley Pipeline Inquiry. We are proud to
10 present to you as a personal memento, this
11 book which we hope will hold many memories
12 as the people portrayed here are the forebearers
13 of the children who had the opportunity to
14 speak to you over the past two years. We wish
15 you success with your report to Ottawa on
16 behalf of the Metis of the north.

17 Rick Hardy."

18 This is a copy of our Metis
19 Heritage.

20 THE COMMISSIONER: I want to
21 thank you, Mr. Hardy, and the Metis Association for
22 this memento of these two years in the north. All I
23 can say is that since it is a personal gift, it will
24 not be marked as an exhibit.

25 MR. SCOTT: Mr. Commissioner,
26 next is Mr. John Ballem, who is counsel to the producer
27 companies, Gulf Oil Canada Limited, Imperial Oil
28 Limited, and Shell Canada Resources Limited.

29 Mr. Ballem?
30

1
2 MR. BALLEM: Thank you, Mr.
3 Scott. Mr. Commissioner, I feel greatly privileged
4 to address you on what bids fair to be the last day
5 of this lengthy and important hearing. That we have
6 arrived at this point as a tribute to your stamina
7 and your perseverance and your determination to have
8 the fullest and the fairest hearing possible.

9 I like to think also that the
10 basic soundness of the pipeline proposal has made its
11 contribution. If the pipeline project had not been
12 sound in concept and appropriate to the country's needs,
13 it could never have survived as it has the debate,
14 investigation and scrutiny to which it has been
15 subjected during these past twenty months.

16 The three oil companies, Imperial
17 Oil Limited, Gulf Oil Canada Limited, and Shell
18 Resources Limited when not otherwise engaged in bringing
19 Britain to her knees and providing rides for Angolans
20 have been actively engaged in the exploration for oil
21 and gas in the Mackenzie Delta for more than a decade.
22 We appeared, as you will recall, before the Inquiry at
23 Inuvik and testified as to this experience and the
24 knowledge that we have gained from it.

25 It is in this spirit that we
26 appear once again today as your Inquiry draws to a
27 close. While we have not actively participated in the
28 proceedings, apart from those held at Inuvik and the
29 delta community hearings which is in the area affected
30 by our operations, our clients have followed them with

1 attention and feel very sincerely that they have
2 benefited from the dialogue that has taken place among
3 all the interested parties.

4 In addressing you today, we are
5 mindful also that, as you have consistently reminded
6 the Canadian public, this Inquiry is not to judge whether
7 a pipeline should or should not be built or who should
8 build it, but rather to assess the social, environmental,
9 and economic impact of a pipeline on the Mackenzie
10 Valley area.

11 When the hearings began it was
12 the possible degradation of the physical environment
13 that seemed to be the area of gravest concern. This
14 was doubtless due in part to the fact that ecological
15 considerations are firmly implanted in the public
16 consciousness and in the conscience. After
17 presentations by panel after panel of environmental
18 experts and literally rooms full of evidence, that
19 concern seems to have come into perspective. It would
20 serve no useful purpose for us to attempt a detailed
21 review of the evidence on environmental impact,
22 particularly since a good deal of it must necessarily
23 be in the realm of professional opinion.

24 Nonetheless, these opinions
25 were founded on data and information that have been
26 accumulated over years of intensive and expensive
27 research. When one is confronted with so much
28 quantitative information, certain patterns and general
29 conclusions eventually emerge.

30 It seems to us that what has

1 emerged from the environmental evidence is that the
2 pipeline can be constructed and operated with an
3 environmental impact that is within acceptable limits.
4 What the evidence does establish is the need for proper
5 practices and the assurance that these practices are
6 understood and applied.

7 This will require effective
8 inspection and supervision and I have no doubt that your
9 report will have quite a bit to say about that. The
10 understanding of and concern for environmental
11 considerations in all sectors of the industry is at a
12 very high level, partly due to public pressure and
13 partly due to costly growing awareness of the problems
14 and the realization that they can in fact be solved.

15 The intensive exploration for
16 oil and gas has taken place in some areas that are rich
17 in wildlife and are environmentally sensitive. This has
18 led to the development of monitoring and supervision
19 practices and cooperation between government and
20 industry. Without doubt, the most important aspect
21 of this particular experience insofar as the pipeline
22 construction is concerned is the knowledge that this
23 kind of regulation and control can be made to work.

24 It also supports one other
25 conclusion which is that a multiplicity of government
26 supervisory bodies must be avoided and that the matter
27 of environmental protection be entrusted to one agency
28 which is endowed with the appropriate powers.

29 There are, of course, those who
30 say and say sincerely that we still do not have enough

1 information about the environmental impact and urge
2 delay until further data are gathered. Just as it is
3 folly to proceed without sufficient information, so
4 is it folly to delay until every last conceivable piece
5 of information has been wrung dry. There must be a
6 balance surely in all of man's activities and in our
7 view, there is now more than sufficient data and know-
8 ledge of the impact to delineate the means of keeping
9 that impact within acceptable levels.

10 During the many months of
11 hearings the socio-economic issue has grown in significance
12 and complexity so that it now far outstrips, in my view,
13 the environmental concern. The impact of the pipeline
14 and its attendant exploration and production activities
15 on the human environment is much more difficult to
16 quantify and assess than is its environmental impact.

17 As the sociological experts have
18 testified, the indigenous peoples have been in contact
19 with the whiteman and his culture for the last 120
20 years at least. The degree of this contact has
21 consistently increased with the period of the fur trade
22 when the native skills were highly prized and rewarded
23 and the post World War II period which has been marked
24 by lessening of the importance of these ancient skills
25 and increasing involvement of the natives in the general
26 Canadian lifestyle.

27 The process continues especially
28 in the Mackenzie Valley at a rate accelerated by such
29 events as the creation of Inuvik with all its government
30 infrastructure, construction of the DEW line and for the

1 last decade or more the intensive exploration for oil
2 and gas. More recently yet we have the Anik Satellite
3 which has brought the advantages and disadvantages of
4 television and the construction of the Dempster Highway
5 which may soon make the delta area much easier to
6 enter and to leave.

7 Indeed one may well question why
8 it was the pipeline project that was singled out when
9 both television and the highway are bound to have
10 equally or more significant long-term effects. Whether
11 or not it deserved the honour, the pipeline has become,
12 through this hearing primarily, the catalyst for a
13 search and examination of the North and its future.

14 One fundamental question lies at
15 the core of the socio-economic impact is the trend of
16 the native towards the modern Canadian lifestyle
17 irreversible?

18 We believe that any reasonable
19 appraisal of the evidence leads to only one conclusion
20 and that is, to paraphrase Dr. Hobart, that this
21 particular Rubicon has been crossed. He and other
22 experts have traced the increasing acculturation of the
23 native peoples, the impact of education, and in many
24 ways the most important of all, the sharp increase in the
25 native population.

26 Not only is the birth rate among
27 the native population very high when compared to other
28 population sectors, improved health care has radically
29 decreased the mortality rate. The improved health care
30 is a fairly recent factor and it, combined with the high

1 birth rate, has the result that the population contains
2 an extremely high proportion of young people. These
3 young adults are now reaching the age where they must
4 seek a way of life which is both fulfilling and worth-
5 while to them and to their values.

6 It is tempting to romanticise the
7 old way of life but it is not likely that those young
8 people who are the products of the Sir Alexander
9 Mackenzie School and the high schools at Inuvik and
10 Yellowknife will wish to return to the bush; nor are
11 they, in truth, much better equipped to do so than
12 their counterparts in Toronto or Vancouver.

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1 The stark fact is that the
2 land by itself can no longer support the current native
3 population if all other economic alternatives disappear.
4 By removing early and widespread mortality we have
5 made this impossible.

6 This Inquiry has visited a
7 great majority of the communities that could be affected
8 by the pipeline and I am sure that each one of us who
9 went there during these visits was struck by the
10 number of beautiful children. One does not have to
11 be a sociologist or an economist to realize that an
12 area which can provide meat, fish and fur for 20
13 families cannot long provide the same sustenance
14 for 80 families.

15 While the trend towards inc-
16 reasing acculturation is, in our understanding of
17 the evidence, irreversible, that does not mean it
18 cannot be modified, and that is precisely where we
19 believe the pipeline through its continued stimulus
20 to the exploration and production sector will have
21 a positive impact.

22 You have listened to a good
23 deal of evidence on the efforts made by the three
24 exploration companies to involve the original peoples
25 in the work force. It has been a learning process
26 for all concerned, and certainly errors have been
27 made and dislocations have occurred. Nonetheless,
28 the record that's been placed before you, primarily
29 at Inuvik and some of the hearings in Calgary, estab-
30 lishes that the native can take his place in the work

1 force, and moreover is doing so in an increasing and
2 regular basis.

3 There are some who have
4 appeared before you who do not approve of this
5 process, but actions always speak louder than words,
6 and the regularity with which the Coppermine workers,
7 for example, come back on shift and the eagerness with
8 which the natives of Tuk and other delta communities
9 participate in the construction of the artificial
10 islands and the work associated with the Dome-Canmar
11 project is a very strong affirmative vote in favor
12 of employment. As Dr. Hobart said, "People vote with
13 their feet."

14 Because of the nature of the
15 work in exploration and production activities, it
16 has been and will continue to be possible to schedule
17 it on a shift basis so that the worker spends, for
18 example, two weeks at the jobsite and one week in his
19 home community. This arrangement has permitted the
20 native worker to maintain his strong community ties
21 and if he so wishes, to participate in the traditional
22 pursuits on a commercial or recreational basis.

23 The oil industry has also
24 pioneered methods of increasing the levels of skills
25 of the natives and to prepare them for technical,
26 supervisory and management positions. This is the
27 sort of thing that the industry has carried out
28 successfully in many parts of the world. It is not
29 only good corporate citizenship to do so; it is also
30 corporate self-interest. A work force drawn from the

1 people who live in the region is highly stable and
2 once it has acquired the necessary skills, highly
3 effective because of its familiarity with local
4 conditions. When one considers that virtually
5 everyone started with a zero baseline a decade ago
6 -- a scant decade ago -- the progress which has been
7 made cannot help but be very encouraging and should
8 provide useful models for the future.

9 Each of the three production
10 and exploration companies has stated to this Commission
11 that it is committed to developing and training a
12 skilled local work force and to that end:

13 . Jobs have been made available to northerners
14 both on a regular and seasonal basis in accordance
15 with their abilities and their aspirations

16 . Northern employees other than those hired on a
17 seasonal basis are considered permanent employees and
18 have the same status and job opportunities throughout
19 the whole company as anyone else in the organization.
20 There has been equality in wages, allowances and other
21 employee benefits.

22 . Formal on-the-job training programs mostly
23 through Nortran, have been provided to develop skills
24 that will be required in operating the production and
25 processing facilities that will be located here in
26 the north.

27 . Off-the-job apprenticeship and technical courses
28 have also been provided.

29 . Where job locations are remotely located from the
30 individual's community, travel subsidies, extra

1 travel time, and accommodation subsidies have been
2 provided

3 . While many of the skilled positions of the
4 initial staff need to be filled by southerners, these
5 will be phased out as northerners become capable
6 of handling the jobs.

7 . The movement of the southerners required for
8 the Arctic operations into the local communities has
9 been and will be continued to be controlled according
10 to the wishes of the community.

11 The work force in the region
12 is small in numbers, and cannot even begin to meet
13 the requirements during the pipeline construction
14 stage. The people of this area having experienced the
15 boom and bust cycle that accompanied the construction
16 of both the Dew Line and the Town of Inuvik, are
17 understandably concerned that the pipeline construction
18 phase may bring short-term prosperity and leave in
19 its wake many raised expectations with no means of
20 fulfilling those expectations. This is a very real
21 danger but one which like so many aspects of the entire
22 problem, can be controlled or mitigated by proper
23 procedures. It should be possible, for example, to
24 arrange the utilization of the native work force in
25 and during the actual construction phase so as to
26 leave the native workers with usable skills and also
27 to create the minimal interference with community
28 life. The ongoing work which will be carried on
29 in the exploration and production phases will make a
30 very important contribution towards levelling out

1 any boom and bust cycle.

2 The exploration phase has led
3 to the creation of a number of important local business
4 concerns. Representatives of these businesses and
5 of the various Chambers of Commerce and municipalities
6 have appeared before you. Their testimony is clear.
7 They rely upon a pipeline and more importantly, con-
8 tinued exploration and the startup of production
9 activities to allow them to survive and to grow.
10 The importance of such enterprises to the communities
11 and to the area surely is self-evident. The three
12 oil companies have utilized these local industries
13 and in fact have encouraged them in every possible
14 way and have stated their intention to continue to
15 do so.

16 The Northwest Territories
17 is an economically depressed area and must depend on
18 a substantial level of support from the rest of
19 Canada. The dependence on federal funding has led to
20 the growth of a very complex and disproportionately large
21 bureaucratic structure. It has also led to what
22 might be called a nurse syndrome, which was described
23 by a number of sociologists as an attitude of the
24 civil servants which regards the natives as virtual
25 patients requiring almost total assistance and direction.
26 An approach such as this tends to perpetuate itself
27 by undermining the native's view of his own worth.

28 Resource development represents
29 the way for northerners to break this cycle and to
30 increase their independence while at the same time

1 improving their social and community services. If the
2 resource development were to be severely cut back,
3 however, there are simply no other economic forces
4 on the horizon. The only likely alternatives are
5 increased welfarization, poverty, and out-migration.

6 Continued resource develop-
7 ment which would accompany the construction of the
8 pipeline affords an unprecedented opportunity for the
9 native people to gain greater control over their
10 personal destinies and for the region itself to
11 gain greater independence. The pipeline and the
12 attendant industry activities have appeared on the
13 scene at a very opportune moment in Canadian history.
14 It is worthwhile to reflect for a moment on the
15 impact of no pipeline and no resource development on
16 this area and its peoples.

17 Dealing just briefly with
18 the two competing applications that are before you,
19 sir, we are of course aware that the Inquiry is not
20 to decide as between the applications of Canadian
21 Arctic Gas Pipeline Limited or the one application
22 of Foothills Pipe Lines Ltd. which is before you.
23 It follows, however, from the foregoing observations
24 which I have made that the prompt construction of
25 a pipeline is vital if this area and its people are
26 to enjoy the sort of future which they as Canadians
27 have been led to expect. It also follows that the
28 system which is ready to be built now on an economically
29 sound basis is the one which best serves the interests
30 of the Northwest Territories and the rest of Canada.

The financing feasibility of a major gas transmission line requires that it be connected with reserves adequate for a period which will at least pay out its costs. While substantial reserves of natural gas have been established in the delta area, they are not by themselves yet sufficient to justify the construction of a pipeline. It is anticipated that continuing exploration will yield reserves that are sufficient to cross this threshold. However, exploration of oil and gas is a chancy undertaking and pipelines cannot be built on mere expectation. Even if the additional reserves necessary for the Foothills project are found, the necessary exploration and delineation drilling will take and must take a number of years.

Accordingly, the CAGPL proposal which relies upon not only the Canadian delta reserves but also transports gas from the discovered Alaskan fields is the only one which can be brought into being in a continuous and uninterrupted fashion. The disruptive impact of a severe curtailment of economic activity even if it only lasted a few years, has been vividly outlined to the Commission at the hearings. CAGPL is the bird in the hand while the other proposals we say are mere ptarmigans in the tundra.

In addition to avoiding the disruptive effect of a substantial delay and the underlying uncertainty of the project itself, the CAGPL project is the one which offers the more efficient and economic means of transporting Canadian gas to Canadian markets. It is vitally important that the most efficient and economic transportation system be developed and exploration encouraged to expand into higher cost areas, both of which will provide more economic activity and over a longer period of time.

By moving gas belonging to both nations through one common facility the total capital and operating costs are shared. This will reduce unit cost and will encourage continued exploration which will benefit the Canadian consumer by enlarging his supply source. The revenue to be generated in Canada by transportation charges for Alaskan gas is also a major benefit which does not exist in the case of a Foothills' proposal.

The three exploration and producing

1 companies, turning now to the question of land claims
2 sir, have testified, as have most parties who appeared
3 before this Commission, that land claims should be
4 expeditiously negotiated and an equitable settlement
5 reached.

6 However, this issue should not
7 be allowed to stall development activity to the long-
8 term detriment of the northern people and the rest of
9 Canada. The land claims negotiations must recognize
10 the rights of the indigenous people, but must also keep
11 in mind the rights, aspirations and desires of other
12 Canadians.

13 There is simply no reason why
14 the construction of the pipeline must await settlement
15 of the land claims. Indeed, such a course would be
16 disastrous for the people of this area since the time-
17 frame within which a satisfactory settlement may be
18 achieved is now completely unknown.

19 The other major Canadian pipeline
20 systems traverse a variety of land holding patterns,
21 including mixtures of Provincial and Federal Crown,
22 railway and freehold land. Well known procedures exist
23 in which the property rights of the few are converted
24 with appropriate compensation to the national interest.
25 Similarly the same procedures can provide the necessary
26 easements for a Mackenzie Valley Pipeline, whether the
27 land be held by the Federal Crown or by the native
28 people. It is no great matter to provide machinery
29 whereby an equitable share of this compensation can be
30 reserved for that interest which ultimately becomes the

1 owner.

2 Nor can the construction of the
3 pipeline prior to settlement prejudice the land claims
4 themselves. The possibility of this prejudice has been
5 urged by many witnesses before the Commission, but
6 upon analysis can be turned into a form of power play.
7 Presumably, if a decision were made that the land
8 settlements must precede the pipeline it might influence
9 and undoubtedly would influence the government to settle
10 at almost any cost.

11 This could have the effect of
12 holding the rest of the country which needs the gas
13 to ransom and is not in keeping with the concept of
14 Canada as one nation and indeed with the views that
15 have been officially expressed by the native groups
16 themselves. The land claims should be settled on the
17 basis of historical, legal and moral factors alone.
18 In conclusion of the main part of my address to you,
19 sir, I would like to say that the pipeline and to suggest
20 the pipeline and the accompanying resource development,
21 and the two must never be separated in my view, these
22 activities are the best presently available means of
23 enabling the North and northerners to continue their
24 progress to greater economic independence and a higher
25 personal standard of living.

26 Such adverse effects, social
27 effects, as it may have and there undoubtedly will be
28 some, these are controllable and can be modified and
29 minimized.

30 Moreover, the most that can be

1 said about the negative impact of a pipeline is that it
2 will accelerate a process that is already underway and
3 already accelerating.

4 To establish that the pipeline
5 would have a negative impact, one would be forced to
6 argue that anything which tends to remove people from
7 the old way of life is intrinsically bad. This
8 argument has been rejected time after time by the
9 people themselves as they have consistently opted for
10 the modern standard of living whenever it has been
11 made available to them. Social dynamics are at work
12 and the native's cause cannot be well served by ignoring
13 those trends.

14 The pipeline and resource
15 development not only will materially assist the
16 transition and cushion its impact, but it is also unique
17 in that it can be used to maintain the traditional
18 values and the individual's ties with his community.
19 For this reason we feel that the overall net impact
20 of the pipeline coming as it does at this juncture
21 in the development of the North can only be deemed
22 to be positive and positive by a wide margin.

23 Now, sir, those complete the
24 main part of my submission. I have some response to
25 the submissions made by Commission Counsel. Would you
26 like to take a break now or would you prefer that I
27 continue? It's entirely up to you, sir.

28 THE COMMISSIONER: Well, let's
29 take a break.

30 (PROCEEDINGS ADJOURNED FOR A FEW MINUTES)

(PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

MR. SCOTT: Mr. Ballem, any time you're ready. The lights are on.

MR. BALLEM: Now I can see, thank you.

THE COMMISSIONER: Let's compose ourselves and give our full attention to Mr. Ballem.

MR. BALLEM: Mr. Commissioner, before I give our initial response at least to the submissions made by Commission Counsel and his staff, I noticed several of the interveners in the environmental area speaking of -- with great concern of the snow roads, and the lack of evidence and experience with respect to repeated use of those snow roads.

I would remind you, sir, that you and I tested one of those roads back in the winter and that I believe that there is quite a bit of evidence on file by Gulf, who have used snow roads for repeated seasons, and as I recall, the only real problem with them was that you had to be sure that you stopped using them before it began to get too warm. That was the critical factor, but apart from that -- and the evidence, of course, is on the record -- it seems that they can be used repeatedly without any observable environmental impact.

Turning now to the submissions made by Commission Counsel and his staff, I am told that these amount to more than 800 pages and we certainly are not, like anyone else, in a position at

1 this time to comment in a detailed fashion. Nonetheless
2 there are some general comments which we think should
3 be made at this time.

4 The first one is that we are
5 very much aware and very thankful for the fact that
6 you yourself have had no input into these submissions.
7 I recall I'm sure you've said this at various times,
8 but I recall very vividly one statement you made that
9 said that you have had no input into these submissions
10 and we take some comfort from that.

11 Basically we agree with a
12 good many of the comments that were made by Mr. Bayly
13 that to some degree they bandy around ideas that were
14 not really founded in any evidence and I think that
15 you put your finger on it, sir, when you interjected
16 that there was a tendency to solve every problem in
17 some fashion. I think this is evident. It's certainly
18 not one that you can criticize, but I do believe that
19 we should approach this whole thing, as I'm sure you
20 will, sir, with a healthy realization that many human
21 problems and social problems just can't be solved
22 in any society at any place at any time.

23 Now there is much to be
24 commended in these submissions, including, I would
25 suggest, the formidable task of assembling the
26 material. The narrow frame time has led inevitably,
27 as Mr. Scott pointed out, and we certainly agree, to
28 contradictions and recommendations that appear to be
29 and are actually in conflict. More serious, however,
30 and regrettable is the fact that its general tenor

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1 which to face the future."

2 What the submission is
3 recommending is that this area operate in a vacuum
4 for an unknown number of years. No one today can
5 have any idea of when land settlement will be achieved.
6 Mr.Scott's moratorium does not even begin to run
7 until that date. In our view it is excessively naive
8 to suggest that social institutions can and will
9 develop in a vacuum. Social institutions respond to
10 perceived requirements and opportunities. The recent
11 growth and development of native institutions in the
12 north is very closely connected to the recent accelera-
13 tion of economic development. That cannot be mere
14 coincidence.

15 In making this recommendation
16 the Commission Counsel must have completely overlooked
17 the evidence that spelled out the disruptive and
18 undesirable impact of no development. Without
19 development the only way to fuel the growth of native
20 institutions would presumably be by even more massive
21 injections of public funds. It would lead to the
22 grotesque spectacle of bureaucrats going through
23 academic exercises in a total vacuum. Simply put, we
24 say to you the proposal is so out of touch with reality
25 and so destructive that its mere exposition should
26 be enough to destroy it.

27 It's noteworthy, sir, that
28 so far as I can tell, no party that appeared before
29 this Commission has suggested a delay of anything like
30 this magnitude, and I would also suggest to you, sir,

1 on reflection that this recommendation is tantamount
2 to denying the pipeline, which you have said time and
3 time again is not your job. It is not to decide or
4 recommend whether a pipeline is to be built, and this,
5 it seems to me, postponement of this order of
6 magnitude would in effect do that. No pipeline which
7 is proposed today -- and that is what is referred to
8 in your order-in-council -- could possibly survive
9 a delay of this magnitude. So in another guise we
10 are saying that if this recommendation were adopted,
11 it would amount to a recommendation that no pipeline
12 be built and that is something which you have told
13 us you are not authorized to do.

14 Now it may be useful and
15 informative to consider the impact of a delay of this
16 nature and size upon the exploration and producing
17 companies. As we stated in our submission and as you
18 know, my clients have been extremely active in this
19 area for more than a decade. They have spent hundreds
20 of millions of dollars in the delta area. Exploration
21 in remote frontier areas really falls into two
22 stages:

- 23 (1) being the initial exploration to test the potential
24 of the area, and if you encounter any worthwhile
25 success, you have a second stage
26 (2) of delineating the drilling to prove up the
27 reserves to make transportation feasible.

28 I should emphasize that
29 you simply cannot enter into this second stage until
30 there is some reasonable time frame for a possibility

1 of sale and generation of revenues, which means of
2 course a pipeline.

3 Now in the north we have
4 carried on this activity at a fairly high level,
5 even though there is no pipeline in existence, but
6 that was because, I believe, the companies in the
7 early years of this decade saw the pipeline as a
8 reality within the reasonably near future. There
9 were political reasons at that time that would justify
10 that confidence. As this time period has been
11 expanded, it has led to some slackening in the
12 drilling and delineation effort. If the pipeline were
13 to be delayed for anything like the period suggested
14 in the submission, then it is virtually a certainty
15 that this activity would be so severely cut back as
16 to disappear for all practical economic purposes.
17 There might still be some drilling on the occasional
18 prospect, but the activities as we know them would
19 disappear.

20 This, it seems to me,
21 would have several very fundamental results.

22 In the first place there is
23 no economic alternative to the pipeline and the
24 ongoing oil industry activity available in the foresee-
25 able future, and indeed the submission would expressly
26 prohibit any alternative, even if one did exist.

27 Secondly, if the pipeline
28 were to be delayed we would lose the possibility for-
29 ever of using Prudhoe Bay reserves to make it practi-
30 cable to move delta reserves. Thus the virtual cessation

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The Commission Counsel's suggestion really and basically is to preserve the native society in amber, and I suggest to you, sir, that this has not worked anywhere in the world or in history. This underlying principle to the Commission staff's recommendations also turns up in another fashion that was curious, at least to me.

1 I'm not really making a point of
2 this one, sir, it's just an anomaly that has troubled
3 me a little bit and the submission takes the preservation
4 of the native communities as an article of faith and
5 a great deal of its delay recommendations are directed
6 towards this objective. Nonetheless the evidence of the
7 sociologists indicated the communities themselves are
8 institutions that were imposed upon the native way of
9 life by whiteman's requirements and whiteman's society.

10 I refer here, of course, to the
11 evidence on the fur trade where native settlements
12 grew up around the trading post and also to the
13 development of settlements for administrative purposes
14 and so that children could attend school. It is odd
15 to find the Commission staff devoting so much care and
16 attention to the preservation of these communities
17 when one considers the reasons for their origin.

18 I was interested and so far as
19 I could tell the submissions advanced by COPE and the
20 other native organizations don't seem to place quite
21 the same emphasis on the preservation of these
22 communities. As I say, I don't make a point of it.
23 It's just a thought that does trouble me.

24 Dealing with land claims, it seems
25 to us with great respect that Commission Counsel's
26 submission has somehow confused land claims with land
27 settlements. The submissions seem to start with the
28 assumption that the final settlement will be precisely
29 as the native groups claim. It must be borne in mind
30 that the only side of the claim--that only one side of the

1 claim question has been heard by this Commission, since
2 whatever else may or may not be within your mandate
3 settlement of the land claims is most definitely not
4 included.

5 We cannot accept that construction
6 of the pipeline will so seriously prejudice the
7 settlement of land claims that construction must be
8 postponed. Indeed, Commission Counsel expressly
9 recognizes that, since so many of its recommendations
10 proceed on the basis that construction of the pipeline
11 will proceed contemporaneously with land claim
12 negotiations.

13 We say that the submissions
14 simply do not make a case; that construction of the
15 pipeline will prejudice a land claim settlement.
16 What might very well prejudice a settlement would be
17 a lengthy delay of the pipeline which could very
18 materially reduce the value of any settlement to the
19 recipients. There are procedures whereby the rights
20 of the eventual beneficiaries can be assured without
21 prohibiting economic development.

22 A recent and not unsimilar
23 example is the dispute between the Maritime provinces
24 and the Federal Government over offshore mineral rights
25 on the east coast. The disputing governments agreed
26 to hold everything in trust pending resolution of the
27 dispute, thus allowing exploration to take place.

28 In fact, the Commission staff
29 establishes that the prejudice which they see can be
30 handled by other means, other means than postponing the

1 pipeline. They deal with the influx of strangers and the
2 impact on communities. Well, they also recommend and
3 we all have been talking about systems of controlling
4 this and those systems now operate with respect to the
5 operations of my clients.

6 They deal with cultural issues
7 and other recommendations that they make apart from
8 postponement of the pipeline construction deal with
9 those as well. For example, alcohol abuse, there are
10 recommendations on that. The school system is prejudiced,
11 there ^{are} recommendations apart from postponing the pipeline
12 that they advance to take care of those situations.

13 So, we say to you sir that they
14 simply have not made the case that postponement of the
15 pipeline does prejudice the native land claims. However
16 they make a very valid point about the current lack
17 of control that the natives have over such things
18 as land use permits. While these applications are
19 forwarded to the native communities, it is the amount
20 of weight that is attached to their reaction that may
21 be questionable.

22 We would suggest, however, that
23 this is a matter that could be resolved in a much less
24 cumbersome and drastic measure than that proposed by the
25 submissions with their delineations of zones of
26 influence, et cetera. The use of arbitration boards
27 in areas such as this has functioned very effectively
28 in other parts of Canada and we would recommend an
29 arbitration procedure wherever there is a dispute over
30 land use or compensation. The arbitration board could

1 ensure effective native and local control by giving
2 them majority representation on these bodies.

3 Turning now to their material
4 on work force. They recommend the establishment of a
5 large, bureaucratic agency whose main function seems
6 to be delivering the native northerners to the work
7 force. It seems to assume that everyone lives in some
8 remote settlement and has had no previous experience
9 with a wage economy. Once again, the submission
10 proceeds from the erroneous premise that we are all
11 starting from scratch.

12 In point of fact, the great
13 majority of the potential native work force has already
14 been employed in the wage economy and are familiar
15 with the procedures. I believe, sir, there was evidence
16 before you in Calgary that something like 800 members
17 of the native work force had been employed by the oil
18 industry.

19 The administrative agency
20 recommended by the submissions could easily have the
21 result of more administrators than people to administer.
22 We have no objection whatsoever to a method of handling
23 the employment of natives in an orderly and beneficial
24 manner. Indeed we strongly recommend whatever is
25 necessary to achieve that purpose. We feel, however,
26 that the route recommended in the submissions is an
27 overkill and ignores the progress that has already been
28 made.

29 Turning now in the very general
30 fashion to their position on costs. The basic

1 contradiction in the position taken by the submissions
2 is illustrated by the recommendation of a lengthy
3 delay on the one hand and the assignment of responsibility
4 for costs to the applicant on the other. How costs
5 can be assigned to and paid by a non-existent project
6 is left unexplained.

7 No one would seriously argue
8 that the acceleration of economic development in the
9 area will result in additional costs for the reasons
10 and in the directions described in the submissions.
11 These costs most assuredly cannot and should not be
12 borne by the people of this area. The question then
13 arises as to how they should be allocated. Those
14 who write and wrote the submissions have no difficulty
15 in this regard. They simply assign all costs to the
16 company.

17 This has the apparent virtue
18 of simplicity, if nothing else, but I respectfully
19 suggest it shows a lack of understanding of utility
20 rate making. If the pipeline company is not to be
21 bankrupted, it must recover these costs and all other
22 costs under its cost of service. Under normal cir-
23 cumstances, these additional costs would become part
24 of its tariff and would ultimately be paid by the
25 consumers of the gas which so long as the costs were
26 reasonably incurred in connection with the delivery
27 in obtaining the gas, is a very fair result.

28 In the present gas pricing
29 mechanism which is in place in Canada, however, the
30 price of gas is fixed at the consuming end and all

1 intervening costs are deducted to arrive at the price
2 which the producer receives at the plant gate. This
3 has the practical effect that increases in the cost
4 of service so long as the end price remains fixed,
5 as it does under our present system, will reduce the
6 price which the producer receives.

7 If this reduction becomes too
8 heavy, then it may become uneconomic for the producer
9 to continue producing his existing reserves and
10 certainly will severely diminish his ability to
11 continue exploration.

12 In summary, therefore, we
13 suggest it is:

- 14 1) a fundamental fallacy to think that the pipeline
15 applicant itself can and will actually pay for
16 these costs.
- 17 2) the costs assigned by the submissions are of
18 such magnitude that it may well be impracticable
19 for them to be totally absorbed by the consuming
20 sector and impossible for them to be absorbed
21 by the producer sector, which, as matters now
22 stand, would be the ultimate repository of these
23 costs.

24 Apart altogether from the
25 manner in which the costs are assigned is the question
26 of what costs should be assigned to this project. The
27 submission seems to start with the premise that there
28 were no problems in the Northwest Territories before
29 exploration and the pipeline came along. I don't
30 believe the list is complete but I believe I identified

thirty-five areas or more which the staff would assign directly to the applicant. A great many of these costs are in areas normally financed by government.

At the very least, we suggest that the costs assigned to the project be approached on an incremental basis recognizing that, while the project may have accelerated or increased the impact on some of these areas, it does not have the sole responsibility.

Turning now to the Mackenzie Valley authority, I believe it is fair to say that the submissions reveal an underlying distrust of government and its institutions. Unfortunately the recommended solution seems to be to establish a brand new government with all of its ramifications.

We believe the matters pertaining to the construction of the pipeline should come under one agency, but feel that the creation of the monolithic structure recommended in the submissions goes far beyond what is necessary or desirable. The very concern that the submissions express of creating an even larger bureaucratic system than that under which the North now labours becomes, under their submissions, a self-fulfilling prophesy. The only thing different about the new government is that it appears to be financed almost completely by industry.

The submissions appear to place the full responsibility with associated costs of solving the economic, social and cultural problems of the North entirely on the shoulders of industry. CAGPL

1 already has had a good deal to say about the structure
2 and complexity of the proposed authority and I will not
3 retrace that ground. The submissions, however, go on
4 to recommend that this authority also have jurisdiction
5 over the construction of the gas plants and the
6 gathering systems.

1 This, in our view, is a
2 totally impracticable and unnecessary complication
3 mainly because, in the first place, there already
4 exists procedures whereby the producer related
5 facilities are approved, regulated and monitored.
6 These existing procedures, while cumbersome, do work
7 and do carry out their functions. It may well be
8 possible to streamline their procedures to make them
9 more efficient and responsive to local conditions
10 but this, I suggest, involves a great deal less
11 dislocation and upheaval than the total restructuring
12 envisaged by the submissions.

13 Secondly, the authority will
14 have more than enough to do simply regulating the
15 pipeline construction phase. To saddle it with the
16 responsibility for producer operations which are of a
17 totally different nature would make it almost
18 impossible for it to function efficiently.

19 Thirdly, the producer
20 activities must proceed simultaneously with the con-
21 struction of the pipeline. To achieve this it is
22 necessary for the producers to obtain whatever
23 approvals, permits, licences and other authorizations
24 that may be required, and to comply with inspection and
25 regulations all within a very limited time frame..
26 Because the primary function of the authority or
27 agency would be the pipeline construction itself, the
28 producers fear that their projects would not be given
29 the necessary attention and priority to enable them
30 to maintain the required schedule.

There is no doubt that there are areas of common concern, where the pipeline and producer operations will impact upon each other. The most obvious one, and there are many others, but the most obvious one is that of transportation of materials and supplies. Here we suggest that the proper means of dealing with this is not through one monolithic administrative body, it's a case of co-ordination and co-operation between the two groups that have jurisdiction on the one hand over the pipeline, and on the other over the producer operations. Surely this is a problem that can and should be solved in that fashion and not by the creation of one huge central agency and then burdening it with the task that it cannot perform.

In conclusion, sir, it remains only to express our appreciation for your unfailing courtesy and thoughtful attention whenever

1 we have appeared before you. As you address yourself
2 to the arduous task of preparing your report, we
3 wish you continued good health and stamina and
4 wisdom.

5 The Northwest Territories
6 Government, we were interested to see, has remarked
7 that you will need the wisdom of Solomon. Let me
8 suggest to you, sir, that that sort of brinkmanship
9 wisdom is the last thing you will need. What you
10 will need is the wisdom of common sense, compassion
11 and perspective. Those are qualities, sir, which
12 you have demonstrated you possess in abundance.

13 Thank you very much.

14 MR. SCOTT: I'd like to
15 thank Mr. Ballem for his general comments on our
16 submissions, and I'll be grateful if he will make,
17 as the two pipeline companies are doing, a detailed
18 response.

19 I know it won't be misunder-
20 stood by him if I say that his well-known capacity
21 as a writer of light fiction and popular novels
22 have been put to good use this morning.

23 The next summary, Mr.
24 Commissioner, is that of Gordon Erion, representing
25 the Chambers of Commerce.

26 MR. ERION: I'd like to
27 thank you for the opportunity of appearing before
28 you one final time, Mr. Berger. We just have a very
29 brief comment to make as our final submission.

30 Contrary to some of the

1 evidence heard by you, we do not represent a group
2 of unfeeling ogres. We are not blind to the potential
3 for great social and ecological problems arising from
4 the construction of a Mackenzie Valley Pipeline.
5 The private business sector, in representing its
6 special interest, has made a series of recommendations
7 to you in that area that we know the best, the
8 economy.

9 Our silence on the social
10 and ecological and cultural issues indicates merely
11 that we are not experts in those areas, but certainly
12 does not indicate that we feel that only economic
13 terms and conditions should apply to the construction
14 of a pipeline.

15 In fact, since our member
16 businessmen live in the north, they have a major
17 stake in the northern society. Negative impacts in
18 this area are decidedly detrimental to small northern
19 businessmen, and are therefore to be carefully avoided.
20 Similarly, we maintain that negative impacts on the
21 business climate manifested by layoffs and business
22 decline will have serious negative social consequences.

23 So we must remember that the
24 social and economic spheres, as well as the political,
25 are closely tied together.

26 The question then is one of
27 determining a middle course between unrestrained
28 development and no development, On the one side in
29 which a development moratorium is established, there
30 has been some evidence relating to the alternative

1 economic development placed before you. We must
2 say to you that being experts on economic matters
3 we just cannot see any potential alternatives to
4 non-renewable resource development; for establishing
5 a viable economic base in the near future in the N.W.T.
6 this course must be necessary.

7 Whether we like it or not,
8 our northern economy is centered on non-renewable
9 resource development and government. The economics
10 of renewable resource based economy just does not make
11 sense.

12 Even with the heavy government
13 assistance in the base of such projects in the past
14 and the present, the results have been exceedingly
15 spotty. A highly subsidized renewable resource
16 economy on an ongoing basis cannot be supported,
17 rather the development of this part of the economy
18 will only be able to stand on its own two feet when
19 the markets and skills have been developed sometime
20 in the future.

21 We feel that such industries
22 where viable would be the best group to support
23 their development.

24 The other side of the coin,
25 of course, is massive pipeline-related development
26 in unrestrained or uncontrolled methods. So therefore
27 we have it, the requirement for a set of recommenda-
28 tions that you will have to make to the Federal
29 Government which will implicitly if not explicitly
30 set the tone for the future of northern development.

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1 Contrary to the indicated
2 support of some of the other interveners, for one
3 of the other applications, the Chamber supports
4 only an early commencement of the Mackenzie Valley
5 Pipeline, irregardless of who receives the permit.

6 The second point made by
7 the Commission Counsel on page 9 was that:

8 "It is recommended that the government take
9 a more active role in encouraging local firms
10 to concentrate on normal trade."

11 We would agree with this point of view and would like
12 to have this further. I think it would be far more
13 beneficial to northern residents to have local
14 small business active in the local activities of the
15 municipalities rather than to gear up for large
16 construction contracts such as will be let by the
17 pipeline contractor.

18 We recognize that your task
19 at this point is an awesome one. We certainly do
20 not pretend to have all the answers and because of
21 our other activities we have not been able to actively
22 intervene in these hearings. On behalf of the
23 Chamber I would sincerely like to thank you
24 for the grant to enable us to prepare the study
25 previously presented to you. We at this point still
26 agree with all the recommendations submitted in that
27 brief, and would ask that you consider them
28 carefully. Yours is a unique vantage point from
29 which to view the north, and we look forward to the
30 publication of your report. Thank you.

Mr. Erion. THE COMMISSIONER: Thank you,

1 MR. SCOTT: You have now heard
2 from--you've now heard in summary form from all the
3 participants who have appeared before you as participants
4 in the Inquiry. Such participants, of course, have not
5 only led evidence but have made, as you have required,
6 full production of documents, reports and studies
7 within their power and have without exception, I think,
8 made their principal officers available for examination
9 and cross-examination in a public forum.

10 That would normally conclude the
11 proceedings. However, shortly following the cir-
12 culation of our submissions, the Government of the
13 Northwest Territories asked if it could make a submission
14 at this stage. The government had elected, for reasons
15 that I think are generally known, not to participate
16 in the work of the Inquiry in a formal sense and,
17 therefore, not to make the production that is required
18 by the rules of the Inquiry or submit to the kind of
19 cross-examination that is fixed by the Inquiry process.

20 However, I respectfully submit
21 that the procedure which has applied to others should
22 be waived so that the government can make this
23 response. I may say, in the government's behalf, that
24 it has prepared a reasonably detailed response and has
25 circulated it to all the participants in reasonably
26 good time so it can be reviewed. I understand that it
27 has been approved by the Commissioner and the Executive
28 Council and Mr. Parker, the Deputy Commissioner, is
29 here to make it.

30 Now, my recommendation would be

1 that Mr. Parker should be heard by the Inquiry. I
2 understand that that view may not be unanimous and I think
3 particularly Mr. Bayly wants to make a submission to
4 you on this general subject.

5 MR. BAYLY: That's true,
6 Mr. Commissioner, and I have an objection to the
7 Government of the Northwest Territories appearing at
8 final argument to make a presentation and I have five
9 points to make.

10 Firstly, the Government of the
11 Northwest Territories has not only refused from the
12 outset to take an active role in the Inquiry, but they
13 have from time to time attempted to prevent the calling
14 of evidence, to fetter those of their employees who did
15 appear and as you will recall from the first Aklavik
16 community hearing, to intentionally or unintentionally
17 intimidate people who would otherwise come forward to the
18 Inquiry on the grounds that they were territorial
19 employees.

20 The second point that I have
21 to make is that the Government of the Northwest
22 Territories is the administrative branch of the
23 government, and the Territorial Council has already
24 appeared before you as the elected representative
25 of this government and of the people and they have
26 expressed the view of the government or had said that
27 they have expressed the view of the government.

28 Now, we see a completely separate
29 presentation by the administration branch of the
30 government and we question who is the Government of the

1 Northwest Territories and who do they speak for? That
2 leads to the third point; that the administration of the
3 Government of the Northwest Territories is responsible
4 to the Department of Indian and Northern Affairs.

5 As such, they are part of that
6 department to which you are to report. Now, the reason
7 that Mr. Buchanan, then Minister of the Department
8 of Indian Affairs, refused to appear at this Inquiry
9 was because he said you were to report to him and not
10 him to you. In a way, you are reporting them to the
11 Government of the Northwest Territories and I would
12 submit that they should not be reporting to you, if
13 that logic holds.

14 The fourth point, now having
15 said this and having reviewed the comments in this
16 report, I will say that there are some valuable comments
17 and some that should be--in fact, all of them should
18 be made public and should be reviewed by Commission
19 Counsel and its staff. What I'm questioning is whether
20 they have any place in the final argument.

21 I question whether they ought
22 to be allowed to sweep in at the end of the proceedings
23 and in a sense tear open an envelope which contains the
24 answers to the questions we've been debating and like
25 a school mistress, ask us to mark our own papers.

26 It seems to me, sir, that this
27 usurps your function. It is your job in this Inquiry
28 to weigh the evidence and the recommendations which we
29 have all made, and not that of the Government of the
30 Northwest Territories.

However, my fifth point is like some of the ones made by Mr. Veale. I've made a recommendation which I will now say might not work. It has been your strength, sir, that you have been willing to hear and listen to all people who have wished to come before you. If, therefore, the Government of the Northwest Territories and Mr. Parker seek to take advantage of the fairness and openness of this Inquiry, I will understand his being allowed to speak on this basis.

I would suggest though, sir, that if you do hear this presentation, you should not treat it as a final argument in the same sense as those participants who have weighed the evidence. It appears from this presentation that they have weighed the submission of Commission Counsel and not--

THE COMMISSIONER: And found
it wanting?

MR. BAYLY: --and found it wanting. I'm sure that's not in pounds. I think it should be seen, if it is presented, as a valuable piece of public criticism and one that may be helpful to you and to Commission Counsel but not as a final argument.

MR. SCOTT: Well I don't know, Mr. Commissioner, that anybody else has--have any of the other participants any observations to make on this subject? If not, I would simply say that the way this submission is tendered is, I think, clearly on the footing that it has been approved by the Commissioner

1 and the Executive Council and is not the view of portions
2 of the bureaucracy. I respectfully submit that on that
3 basis, it being the presentation of the government,
4 that is the Commissioner, his staff and the Executive
5 Council, it should be heard.

6 THE COMMISSIONER: Well, my
7 policy throughout has been to consider the views of
8 everyone who wishes to be heard and I don't intend to
9 stop now. I will be glad to hear what Mr. Parker has
10 to say and I take it he speaks for those who head the
11 Executive Branch of the Government of the Northwest
12 Territories.

13 MR. SCOTT: Well, Mr. Parker,
14 after that somewhat tortured introduction--

15 MR. PARKER: Thank you very much,
16 Mr. Commissioner. We appreciate very much the
17 opportunity which you have provided for me to take part
18 in this Inquiry. Appearing as I am at noon, I feel
19 indebted to the people who so far have elected to stay
20 and feel some urge to provide Kentucky fried raven or
21 something of that nature for those who are kind enough
22 to do this.

23 I understand Mr. Bayly's feelings
24 in this matter and the reasons, and I don't propose to
25 go into them in depth, that we have not taken a more
26 direct part are probably well understood.

27 The facts of the matter are,
28 of course, that there was at the time of the Aklavik
29 hearings a misunderstanding which was cleared up almost
30 immediately and after that initial time, there seemed

1 to be no difficulty whatsoever and I must say that a
2 number of our officers appeared before this Inquiry
3 with our full support.

4 I would also like to point out
5 that we are not part of Indian Affairs, although we
6 have many friends in that department. The Commissioner
7 and myself are appointed by Governor-in-Council and
8 we report to the Cabinet through the Minister of
9 Indian and Northern Affairs.

10 I would also like to say, Mr.
11 Commissioner, that I'm sure that you will not be
12 swayed unduly by my few words. I have a relatively
13 long submission, however, the good news is that I do
14 not intend to read all of it, but the bad news is that
15 I intend to use most of it. I will make reference to
16 certain sections in this report and just reference
17 only.

18 The activities of the Mackenzie
19 Valley Pipeline Inquiry, the information supplied by the
20 applicants, the positions taken by various groups, and
21 the broad discussions surrounding the Inquiry have all
22 been of intense interest to the Government of the
23 Northwest Territories as they have been to all
24 territorial residents. Although several of our officers
25 have made formal presentations to the Inquiry dealing
26 with specific topics, we have not presented a
27 territorial position on the pipeline because we have
28 felt that it would be improper to do so.

29 The publication of the Commission
30 Counsel submissions ranging as it does across all aspects

1 of life and activities of the government in the
2 Territories prompted us to come forward with a response
3 to its recommendations. We do this with an earnest
4 desire to be helpful in the hope that our information
5 will be of assistance to you, Mr. Commissioner, as you
6 face the near impossible task of framing your conclusions
7 and recommendations.

8 You have displayed the patience
9 of Job. You now require the wisdom of Solomon as you
10 thread your way through the cultural, sociological
11 and economic complexities of the major resource develop-
12 ment in the Mackenzie. To my friend, there's nothing
13 like having your words used before you've even said
14 them.

15 The Government of the Northwest
16 Territories welcomes the Commission Counsel's submission.
17 In particular, we are pleased to note the many areas
18 of mutual concern which we share with Commission staff.
19 The probable effects of major resource development on the
20 people and institutions of a territory have never before
21 been so closely scrutinized and we are provided with a
22 unique opportunity to become conversant with all the
possibilities well in advance.

23 The Territorial Government will
24 take full advantage of this opportunity. In the nine
25 years of its presence in the North, the Government
26 of the Northwest Territories has, as part of its
27 normal responsibilities, been developing programs which
28 are increasingly responsive to the needs and demands of
29 the people. The pace of this activity cannot always be

as rapid as all groups would like it to be but it is nevertheless very real, as we will outline in the body of our response.

From a perusal of Counsel's socio-economic submissions, one cannot but feel that insufficient attention has been paid to the existence of many territorial and community service agencies. On several occasions structures and processes are suggested which are already in place, or which are less democratic than those already existing. Because of the apparent lack of familiarity of Counsel with territorial programs several of the recommendations are redundant or wide of the mark.

As an example, the functions of the suggested Committees for Joint Use of Community Facilities, would be, in our view, better handled by the community councils, or by council sub-committees. Another example, this in relation to alcohol, is that counselling programs have already been tested and are now being developed within the Department of Social Development which go a long way towards achieving the objectives of a number of the recommendations.

Again, in relation to alcohol, rather than adopt an across-the-board policy of establishing detox centers in action communities as recommended by Counsel, our approach has been to study the effects of the Yellowknife center and make the results of our study available to communities who must themselves decide if such centers are the answer to their particular problems.

1 As territorial evidence of
2 its regional planning activities pointed out, this
3 government has been concerned for quite some time
4 with the practical planning necessary to cope with
5 the impact of hydrocarbon development in the delta
6 area. This centralized planning has been in addition
7 to the various studies going on in individual depart-
8 ments as part of our normal program development, and
9 many examples are mentioned in this paper.

10 In addition to the concerns
11 outlined above, we feel that there have been three
12 important areas of misunderstanding by Counsel. The
13 first of these is the relationship between the
14 Territorial Government and the company on the question
15 of costs. The second is the need for Counsel to
16 comprehend the degree to which, within its limited
17 mandate, the Territorial Government has developed
18 its services from the colonial situation of the '60s
19 to the much more responsive and democratic network
20 of services today. Third, there appears to be some
21 confusion as to the nature of the authority which would
22 function to regulate the extra normal phenomena
23 associated with hydrocarbon development. In particular
24 the relationship of this body to existing agencies
25 requires clarification. Each of these points are
26 dealt with in the subsequent sections of this paper.

27 We have outlined, on a
28 department by department basis, those recommendations
29 of Counsel with which we cannot fully agree, and we
30 have offered certain suggestions. Because of the time

1 available failure by us to address each and every point
2 should not be construed as lack of concern with the
3 issues raised. Rather, we are taking this opportunity
4 to highlight those issues with which we are most
5 concerned.

6 Commission Counsel on
7 allocation of costs, Commission Counsel proposes that
8 all measures extra normal costs -- pardon me, all
9 measureable extra normal costs that occur in the
10 pipeline impact region should be borne by the company.
11 Counsel recognizes that the determination of what is
12 normal and what is extra normal requires further
13 study, but proposes that in general costs of
14 impact information and monitoring systems, employment,
15 emergency accommodation, special health and social
16 services, etc., directly or closely related to the
17 pipeline project should be covered by the company.

18 Counsel proposes that the
19 disposition of such funds should be by the authority
20 and that the funds should be collected by the Federal
21 Government and earmarked for the authority. We agree
22 with Commission Counsel in general on the need for
23 increased public expenditures in many areas to meet
24 the impact of the proposed development. In some areas
25 we disagree with the definition of "extra normal
26 costs" advanced by Counsel. Our main concern is with
27 the treatment of the costs of programs that are
28 normally provided by the government of the N.W.T.
29 as a service to the public, whether with or without
30 a pipeline. Such expenditures, we believe, should be

1 decided upon and administered through the established
2 political process, and by the normal agencies and
3 funded through normal government channels. Programs
4 should and will be expanded as required to meet the
5 impact, particularly the long-term impact of
6 development.

7 The authority would act as
8 a co-ordinating and liaison body in these areas and
9 as a direct administrative agency in the areas in
10 which services were not normally provided. We will,
11 therefore, not comment in detail on recommendations
12 in the report that financing of certain public
13 programs -- that is education -- should be the direct
14 responsibility of the company. In our view it is
15 undesirable that they should be so.

16 Mackenzie Valley authority.

17 The report deals at some length with the need to
18 establish an authority to undertake programs and exer-
19 cise appropriate controls to modify the extra normal
20 effects of the pipeline and related projects. Many
21 tasks are assigned to such a body, thus giving it a
22 dominant role of influence in the Mackenzie Valley
23 considerably beyond that necessary for the regulation
24 of pipeline construction. Although the Territorial
25 Government supports the need for some form of authority,
26 to operate during construction of a pipeline, we do
27 not believe the all-encompassing approach that is
28 recommended is in the best interests of the people
29 of the N.W.T. nor the various levels of government
30 which serves the people.

1 Some of our reasons for
2 this position are as follows:

3 The authority would encroach on the existing
4 authority and responsibility of the Northwest
5 Territories Government, municipal and local govern-
6 ments, and departments of the Federal Government,
7 therefore rather than strengthening government in the
8 N.W.T., any major authority could retard and thwart
9 proper political development.

10 The Territorial Council has strongly opposed
11 the establishment of any structure that would remove
12 major responsibility and authority from it. The
13 existing governmental agencies at all levels --
14 local, territorial and federal -- have extensive
15 programs and services already operating in many of the
16 fields that would be covered by an authority. They
17 already have extensive experience and knowledge in
18 dealing with most of the issues, problems and concerns.
19 To try to duplicate this skill and experience would
20 be counter-productive and needlessly expensive.

21 The pipeline impact is
22 not important because of the types of problems that
23 occur, but rather the scope and size of the problems.
24 To staff and operate an authority with the broad
25 responsibilities suggested would require an extensive
26 bureaucracy. This is contrary to the position of
27 Territorial Council that bureaucracy be kept to as
28 low a level as possible.

29 An authority operating in the
30 same sphere as existing government bodies will result

1 in further confusion in the minds -- in people's
2 minds in relation to the authority and responsibility
3 of the various levels of government in the N.W.T.
4 Completion of a pipeline may be followed for many
5 years by continuing resource activities, producing
6 most of the same problems and issues faced during
7 construction periods. It is essential, therefore,
8 that long-term programs and services be developed .
9 Removal of these responsibilities to an authority
10 will interfere with the proper development of
11 existing programs and services to meet these long-
12 term requirements.

13 There is now a significant
14 involvement of northern people in existing government
15 bodies and agencies in the N.W.T. An authority which
16 would be super-territorial would not likely be able
17 to employ large numbers of northerners and therefore
18 could not be expected to promote goals and objectives
19 peculiar to the north. Rather than an all-encom-
20 passing authority, we believe what is required is a
21 co-ordinating body which will provide a single point
22 contact for the pipeline constructor and will carry
23 out the necessary pre-construction reviews and
24 surveillance of the actual construction of a pipeline
25 to ensure compliance by the construction agencies
26 with the specific terms and conditions developed for
27 pipeline construction.

28 The legislation, regulations
29 and activities placed under the surveillance agency
30 for administration should be restricted to those

1 matters applicable to pipeline construction. Legisla-
2 tive responsibilities should remain with appropriate
3 government levels.

4 There should also be an
5 advisory body consisting of representatives of the
6 Northwest Territories Council, native organizations,
7 local government bodies, special interest groups,
8 and the general public to provide advice to the
9 agency staff on specific matters of concern brought
10 to their attention by residents. Local government
11 bodies and other groups -- there must in addition be
12 an appeal procedure whereby the advisory body can
13 appeal, if necessary, decisions made by the agency
14 on matters brought to its attention.

15 To meet the impact of
16 construction on programs and services not under the
17 agency, there will have to be an appropriate
18 strengthening of existing government bodies and
19 agencies. Through close co-operation between the
20 agency and other bodies, both government and special
21 interest groups in the N.W.T., there should be an
22 effective monitoring and control of all aspects of
23 pipeline construction, plus development of a sound
24 capacity to properly handle the long-term ongoing
25 requirements associated with the construction and
26 operation of a gas pipeline and related facilities.

27 I'd like to deal now with
28 matters concerning local government.

29 The Territorial local Government
30 structure in the N.W.T. is criticized in Commission

1 Counsel's report for being in conflict with Dene
2 ways and the Band Council structure. The problem
3 is twofold:

4 . The form of local government must meet the needs
5 of communities with growing populations, as they seek
6 to deal with the problems of today's world at a pace
7 which may not be of their own choosing. Few communi-
8 ties in the north are any longer truly isolated.
9 The pressures of change are there and have been in
10 evidence long before this current pipeline debate.

11 Simply stated, the mechanisms
12 of government must be adequate to the times and the
13 tasks.

14 . The second problem is that of representation
15 on councils. We consider it to be imperative that
16 the composition of local councils reflect the racial
17 mix of the communities -- Indian, Metis and Inuit
18 people take part fully in communities where they form
19 a majority, but much less so in some centres where
20 they are in a minority position. This problem has
21 yet to be solved and its solution will require the
22 goodwill of the majority group, as well as the strong
23 efforts of the native people themselves.

24 Clearly the local government
25 structure developed in the N.W.T. is based on the
26 principles of democratic election, and that the
27 council serve all residents in their community.
28 As long as these principles are maintained, however,
29 the manner in which a local council chooses to provide
30 services and programs to its community is strongly

1 influenced by that council. The emphasis and priority
2 in any community is the responsibility of the council
3 and members can perform their municipal responsibilities
4 in a manner consistent with the wishes of the majority
5 of the people who elected them. The critical observa-
6 tion that the municipal system is foreign to native
7 experience and tradition in the Mackenzie Valley,
8 while partially true, has to be tempered by the
9 acknowledgment of the fact that it has worked well
10 in many areas of the N.W.T.

1 While modeled on the normal
2 Canadian municipal systems, our local government structure
3 and processes have been modified to reflect the needs
4 and stage of development of northern residents. An
5 important example of this flexibility of approach is
6 the development of settlement and hamlet councils,
7 both forms unique in Canada in that considerable
8 authority for spending and responsibility for programs
9 are vested in these councils without the usual require-
10 ment for local taxation in recognition of the lack
11 of a normal taxation base.

12 The recently adopted territorial
13 policy of even greater decentralization will allow for
14 consultation with communities on the forms of government
15 they feel are best suited to their particular lifestyles.
16 The role of band councils may well be examined in this
17 context.

18 Following on Mr. Hardy's remarks
19 of this morning, we are most anxious to hear of concrete
20 proposals which will expand the role and the interest
21 of groups in our forms of Territorial Government, forms
22 of local government, pardon me.

23 Commission Counsel's report
24 emphasizes that the present local government hierarchy
25 depends on the existence of an evolving tax base.

26 This is valid to the extent that
27 the Territorial Government broadly follows the principle
28 that increases in municipal or local authority must bear
29 some relationship to community responsibility to meet
30 part of the total costs. To a far greater extent than

1 almost anywhere else in Canada, however, communities
2 in the N. W. T. have more authority and a higher level
3 of programs and services than communities with similar
4 economic or taxation bases in the south.

5 A statement is made in the
6 report that communities have virtually no access to the
7 municipal bond market and they cannot, therefore, borrow
8 to finance their own growth. This is a misrepresentation
9 of the situation. The facts are that the Government
10 of the Northwest Territories borrows from the Federal
11 Government and reloans this money at prime rates to
12 villages and towns and cities, thus guaranteeing
13 availability of funds. This is a situation which most
14 southern municipalities would envy. The Territorial
15 Government also funds hamlet and settlement capital
16 requirements through grants.

17 At this time, the Territorial
18 Government is carrying out a major review to determine
19 what further program authority and responsibility can
20 be given to the communities from the Territorial
21 Government.

22 The fact that this is occurring
23 without any major change in local tax base clearly
24 indicates that our policies for local government growth
25 and development are not wedded directly to the local
26 ability to pay.

27 Dealing now with education, the
28 subject of education is dealt with in both general
29 terms and in specifics throughout the chapter of the
30 report on the socio-economic aspects.

1 With reference to education and
2 language contained in the native society section and
3 in particular to the general remarks contained therein,
4 the Territorial Government is aware that the education
5 system has not, in the past, met the needs of all of the
6 citizens of the North, especially during the 1950 to the
7 1970 period.

8 I would like to digress briefly
9 from my text here to comment on remarks of the counsel
10 for the Indian Brotherhood when he referred to the school
11 system of the past. It is true that errors were made,
12 very serious errors in earlier years, but these errors,
13 and I must stress this, were not made through a lack
14 of sincere concern by those people operating the systems
15 in the '50s and perhaps the early '60s but through a
16 lack of understanding.

17 We do not now have hostels for
18 small children. We do not now have an anti-native
19 language policy, as I will explain later. Admittedly,
20 education is a compulsory matter but it is not foolishly
21 imposed at the present time. Young people are permitted
22 and, in fact, encouraged strongly to accompany their
23 parents as their parents go out on the land in the
24 spring or any other season of the year and we recognize
25 this as a valid and very important form of their
26 education. It must be borne in mind that there was
27 no education system covering all parts of the N. W. T.
28 previous to the late 1950's and further that the transfer
29 of full responsibility to the territorial administration
30 did not occur until 1970.

1 Full-scale development of
2 educational programs, therefore, has taken place during
3 the last six year period. We agree that a complete
4 southern oriented system will not work in the Northwest
5 Territories. Similarly, people of the north know
6 that a system based strictly on northern culture,
7 language and way of life will not be successful either.

8 It is, therefore, more accurate
9 to say that the system has not been relevant to many
10 of the northern students. This was realized by our
11 Department of Education in the early '70s and as a
12 result of this realization, steps were taken too and
13 there's a number of points, six points.

- 14 1) develop cultural inclusion programs.
- 15 2) develop northern reading and syllabics programs.
- 16 3) encourage native northerners to enroll in the
17 teacher education program.
- 18 4) attract more native speaking classroom assistants.
- 19 5) offer a kindergarten program almost exclusively
20 in the mother tongue, and a grade 1 program in the
21 majority language of the community, where qualified
22 native teachers and classroom assistants were
23 available.
- 24 6) establish education advisory committees or boards.
25 This has been achieved in many communities across
26 the North during the past six years.

27 This corrective action has been
28 slow to get started especially in the western Arctic and
29 the effectiveness of this more culturally relevant
30 approach has varied greatly from community to community,

1 often depending on the zeal and sincerity of individuals
2 involved. However, the Department of Education, as a
3 whole, subscribes to a philosophy of cultural
4 relevance and community control of education. For
5 obvious reasons, much development work is required
6 before the communities will see complete implementation
7 of these principles.

8 The new Education Ordinance
9 lays the foundation for formalizing this more enlightened
10 approach.

11 Mr. Commissioner, I'd just like
12 to say at this time that we have and we're quite proud
13 of having been able to do this, developed the
14 Education Ordinance as it's now under study in an
15 Inuktitut version. I think this is the first
16 time that legislation of this nature has ever been
17 translated completely and we believe very accurately
18 into a native language. As I say, I think we take
19 some pride in the production of this report.

20 When speaking of control over
21 key functions such as education, we believe it is
22 more accurate to say not that the native people have
23 never had control over these formal institutions,
24 but rather the process of taking more responsibility
25 has been a slow one. The writing of a new education
26 ordinance which we anticipate will be passed into law
27 in January, 1977 by the Legislative Assembly of the
28 Northwest Territories, is directly related to our
29 desire to transfer authority and responsibility for
30 education from the relatively impersonal government

1 bureaucracy to local education authorities.

2 The specific fear expressed that
3 studies of particular interest to native people should
4 be driven out of the curriculum is realistic, particularly
5 if the proportion of native students decreases. The
6 Department of Education realizes this and supports and
7 is prepared to assist projects aimed at safeguarding
8 the cultural interests of the various groups. An
9 example is our participation in the production of the
10 Metis Association's recently published book and learning
11 resource, "Our Metis Heritage", which was displayed
12 this morning.

13 Another example is our
14 participation in the study of Athapaskan languages.
15 As a result of initiatives taken within the Department
16 of Education, work has been started on the production
17 of descriptive grammars in Dogrib, Hare, North Slave
18 and South Slave languages.

19 The new Education Ordinance
20 provides for the possibility of the local community
21 arranging annual school terms and holidays, classroom
22 hours and language of instruction.

23 We wish to emphasize that we
24 are not particularly anxious to establish dual or
25 plural school systems because of the obvious dangers
26 of intensifying racial tension and the disintegrative
27 effects this may have on a multi-cultural North.

28 On the other hand, the
29 Government of the Northwest Territories is prepared
30 to let the people of the North through their legislature

1 and the local education committees, determine what the
2 goals and objectives of the education system that
3 serves them should be. Many of the recommendations
4 made by Commission Counsel are now part of our regular
5 education program. We are participating in the
6 production of books in syllabics, developing an orthography
7 in Eskimo and we are cooperating with the Inuktitut
8 Language Commission. We are, at present, attempting
9 to establish an Athapaskan language and culture unit.

10 We will establish training
11 positions for native northerners who wish to become
12 involved in developing native orthographies, grammar
13 and other print and text materials.

14 We agree that a native language
15 should be the language of instruction in at least the
16 first three grades in school in communities where a
17 native language is widely used by older persons. The
18 new Education Ordinance provides assurances in law
19 in this area.

20 It is our hope that over the
21 next five years we will see the implementation of a
22 northern college that will offer degree credit courses
23 in various disciplines. This will mean that northern
24 students will be given the opportunity for higher
25 education in a northern environment, thus easing the
26 transition to more senior levels in southern
27 institutions, if this is their choice.

28 I'd like to turn to natural
29 and cultural affairs, land use. The importance of
30 community influence on land use decisions is recognized

1 by the government. However, the recommendations in this
2 section are not wholly acceptable because taken without
3 qualification, we feel that they could give rise to
4 conflicting management practices in different zones
5 which could not accommodate the habitat requirements
6 of migratory wildlife species which cross zone
7 boundaries. A central management authority is required
8 to lay down common guidelines.

9 These guidelines would reflect
10 a policy of compliance with native needs at the
11 highest priority. We would see communities being
12 increasingly involved in land use practices with the
13 delegation of control of land use to the Territorial
14 Government. Then greater attention which would be
15 paid to organizations such as Band Councils, the Game
16 Advisory Board, Hunters' and Trappers' Associations,
17 et cetera.

1 Wildlife management. We
2 feel that not enough attention or recognition has been
3 given to the role of the Game Advisory Council which
4 advised the N.W.T. on matters pertinent to game.
5 Their major role to date has been their input into
6 the revision of the Game Ordinance. Membership consists
7 of I.T.C., COPE, N.W.T. Indian Brotherhood, Metis
8 Association, with two appointees by the Commissioner
9 and one permanent secretary from the staff of our
10 Fish & Wildlife Division.

11 Our paper deals with matters
12 of local management, annual consultation and sports
13 hunting, and this is filed as a matter of record.

14 Outpost camps. We share
15 Counsel's concern that avenues of return from the
16 wage economy should not be closed off. Our outpost
17 camp program was designed in 1974 and first administered
18 by COPE in 1975 at a camp at North Star Harbour on
19 Baillie Island. The program's objective is to
20 provide maximum services and assistance to people who
21 want to live off the land while at the same time
22 discouraging other dependency and ensuring the most
23 effective use of available monies. There are guidelines
24 and criteria which must be met before an outpost
25 camp is to be so designated, and becomes eligible for
26 funds in the Northwest Territories.

27 To date, over 30 applications
28 have been received with 15 in the pipeline impact
29 area having received approval. The camps established
30 in this area affect 33 families, 190 people. It is

1 hoped that much will be learned in this first full
2 year of operation and an evaluation system has been
3 established. We see this program as being of central
4 importance along with proper management of wildlife
5 resources in providing meaningful options to native
6 people who wish to continue their traditional life-
7 styles.

8 Recreation. With respect
9 to the section on recreation, we agree in most
10 part to the recommendations put forth. We must, however,
11 continue to concentrate on the physical aspects of
12 recreation because of heavy participation in sports
13 programs. The suggestion that we should continue to
14 emphasize cultural aspects of recreation is well
15 taken.

16 I deal also with archaeologi-
17 cal sites, and that is here as a matter of record.

18 Public services, legal systems
19 and institutions. To some extent the recommendations
20 on this subject are directed towards problems already
21 recognized and under study. The solutions suggested
22 by the recommendations are for the most part incomplete
23 and lack definition.

24 Recommendation No. 1, tradi-
25 tional and customary law. Recommendation No. 1 states
26 that a study should be undertaken to codify traditional
27 law and to establish Courts of customary law administered
28 by Dene and Inuit. Such a code, assuming it could be
29 produced, would be more alien today to most natives
30 than the Criminal Code. The matter of native

Recommendation No. 2,
juvenile facilities. This recommendation suggests
that the Federal Government build facilities for
community-oriented juvenile training programs.
This is a Territorial Government responsibility. Our
current practice is to avoid institutions for
juveniles and to arrange for more family-oriented
treatment.

Dealing with the subject of health. One area where almost every recommendation of Commission Counsel has already been implemented is that of health care. We agree that there is room for further improvement in the delivery of health services. It is for this reason that the Government of the Northwest Territories commissioned a major review of the delivery of health services in the

1 Western Arctic in 1973, the Mackenzie River Area
2 Health Services Study, and also a major review of
3 the delivery of health services in the central and
4 Eastern Arctic in 1976. With regard to the
5 Mackenzie River area health services study, which
6 was received in the fall of 1974, approximately 80%
7 of the recommendations either have been or are being
8 implemented or are under active discussion.

9 The Central and Eastern
10 Arctic health study report is expected to be completed
11 during the spring of 1977.

12 Our objective is to develop
13 an integrated co-ordinated and comprehensive health
14 system in the Northwest Territories for our residents.
15 It doesn't say anything about curing disease.

16 If we are to continue the
17 development of the system which is now under way, we
18 will be able to respond to meet the needs of major
19 development much better than at present.

20 Recommendation No. 1,
21 integration and co-ordination. We agree with
22 Counsel's recommendation concerning integration and
23 co-ordination of health care systems. The Mackenzie
24 River area health services study made very specific
25 recommendations in relation to the need for integration
26 and co-ordination.

27 With regard to the transfer
28 of the responsibility for the delivery of all health
29 services from Health & Welfare Canada to the Government
30 of the Northwest Territories, we have been working

1 towards this transfer of responsibility since 1973.
2 We expect that the transfer will take place on
3 April 1, 1978. We agree with the recommendation that
4 northerners should be more involved in the delivery
5 of health services, and have already initiated the
6 following action.

7 The next page or two deal
8 with the actions that we have taken and I don't propose
9 to read it, but suffice to say that we have expanded
10 the Territorial Hospital Insurance Board, we have
11 made provision for the establishment of local Boards
12 of Management for hospitals,

13 On the subject of local policy
14 participation and health care planning, the text
15 describes the steps that we have taken and we consider
16 them to be adequate to the task.

17 We comment in detail on Commis-
18 sion Counsel's comments on the Churchill Health Centre
19 and we compared it and we think favorably to the
20 Hay River facility and other facilities that are
21 planned in the Northwest Territories.

22 Recommendation No. 3,
23 recruitment of native people. We agree that there is
24 a need to involve more northerners in the delivery of
25 health services. The Government of the Northwest Terri-
26 tories Certified Nursing Assistance Program and the
27 Federal Dental Therapist Program are a step in the
28 right direction, although these programs are experienc-
29 ing some difficulty in recruiting as many northerners
30 as we would like to see. At the present time our

1 Department of Social Development or Departments of
2 Social Development and Education are developing a
3 basic training program for locally recruited health
4 and social service workers.

5 Recommendation No. 5, turnover
6 of medical personnel. With the present improved
7 salaries for health care personnel, one would expect
8 the high turnover will be reduced. However, we feel
9 there are two other important factors:

10 (1) the opportunity of developing and working in
11 an integrated co-ordinated and comprehensive health
12 system will be attractive to health care personnel

13 (2) the plans for the development of educational
14 programs for health and social service workers will
15 involve more northerners in the provision of services,
16 and when this is accomplished, the turnover rate should
17 be substantially reduced.

18 We go on and detail in our
19 paper health care data, preventive programs, dental
20 programs, medical specialist visits, evacuation of
21 patients, and matters dealing with sanitation and the
22 treatment of injured workers.

23 I would like to deal, though,
24 with Recommendation No. 13, priority for hospital use.
25 We agree that any pipeline activity should not pre-
26 empt hospital space and that first priority must go to
27 local residents. The Public Health Ordinance calls
28 for the contractor to supply certain health facilities.
29 We anticipate that most pipeline employees requiring
30 medical treatment will be evacuated to southern

1 hospitals except for Territorial residents who should
2 be treated locally where possible.

3 We deal also with professional
4 staff and comments that were made on water and sewage
5 plants.

6 Turning now to mental health,
7 recommendation No. 1, legislation. The Government of
8 the Northwest Territories has a Mental Health Ordinance
9 which was enacted in 1971. It is true that the Alaskan
10 Community Mental Health Ordinance does
11 provide for participation at the local and state level
12 in planning for mental health programs. However, the
13 legislation also establishes local and state govern-
14 ment responsibility for financing mental health
15 services. In the Northwest Territories, mental
16 health services are financed by the Territorial and
17 Federal Governments without local cost-sharing. The
18 Alaskan legislation will be reviewed, along with
19 provincial legislation when revision for our
20 ordinance are being considered.

21 Recommendations No. 3 and 5
22 deal with funding and personnel. Medical services
23 has embarked on a program to improve their mental
24 health services. A resident psychiatrist, psychologist
25 and mental health nurse are stationed in Yellowknife.
26 A mental health nurse has been working out of Inuvik
27 since last year and active recruitment is under way
28 for a similar position at Frobisher Bay.

29
30

Alcohol. Recommendation

No. 2, alcohol education. While we recognize that we need to do much more in the schools toward developing responsible attitudes toward alcohol, we also know that alcohol education is not a cure-all and in fact there is little evidence that it alters the propensity to drink more than a very small percentage. It is most valuable when combined with other programs such as those designed to handle casualties, detox centres, A.A. programs, etc., and to support the families of problem drinkers. A program of alcohol education is currently being developed under the auspices of the Alcohol & Drug Co-Ordinating Council.

Recommendation No. 4, community involvement. The community development approach advocated in this recommendation has been utilized by the Territorial Government in many of the projects being funded by the Alcohol & Drug Co-Ordinating Council. Community strength behind programs has been seen to be effective in settlements such as Frobisher Bay, Clyde River, Fort McPherson, Yellowknife, Fort Simpson, Fort Good Hope, Tuktoyaktuk, Fort Norman and Rae-Edzo.

Examples of current projects operating in the Mackenzie Valley area under the auspices of the Alcohol & Drug Co-Ordinating Council of the N.W.T. are detailed in this paper.

Recommendation No. 5, financial contributions. Combatting alcohol requires a multitude of services being available, not just an increase in alcohol-related services. We feel that

1 a better route than that suggested would be to channel
2 company taxes into such areas as recreation grant
3 in aid programs.

4 Recommendation No. 6,
5 additional facilities, the Territorial Government
6 prefers to allow solutions to be developed in a
7 manner suitable to each community; prior to establishing
8 further detox centres we need to assess the effective-
9 ness of the existing centre to ensure we have not
10 simply relocated the drunk tank to the detox centre.
11 The Yellowknife Centre has been keeping records which
12 will allow for monitoring and analysis of progress,
13 and Inuvik is currently examining the Yellowknife
14 experience.

15 Recommendation No. 7,
16 resource persons. The staff of the Department of
17 Social Development already has social welfare coun-
18 sellor programs at the design stage which provide
19 in-service training, including an alcohol training
20 component. In relation to inter-agency committees,
21 we feel that especially in smaller communities these
22 bodies do in fact create the type of bureaucracy which
23 Counsel wishes to avoid.

24 Recommendation No. 10,
25 control of drinking in camps. We agree with the
26 exception of point (a). Our view is that camps should
27 be dry, no liquor at camps can be written into
28 agreements at point of hiring.

29 Social assistance. Recommen-
30 dation No. 1, welfare and economic activity. There

1 does not appear to be any recognition here of the fact
2 that even where more wage jobs become available they
3 do not necessarily do so at a faster rate than the
4 annual increase in numbers of workers entering the
5 labor force. However, there are areas of success.
6 The Inuvik region is an example. Between financial
7 year '74-5, and financial year '75-76, payments
8 for economic reasons decreased by \$24,387 while
9 costs increased by only \$5,303.

10 Recommendation No. 2,
11 work to replace welfare. The recently introduced
12 Territorial program known as STEP, Subsidized
13 Term Employment Program, is based on the principle
14 outlined in this recommendation. This year it puts
15 over one million assistance dollars to work in com-
16 battling dependency and encourages a lifestyle of
17 working within the wage economy rather than remaining
18 on welfare. Under this program work experiences of
19 18 weeks' duration can be provided for 450 people who
20 are employable but currently on welfare rolls.
21 As many jobs as possible provide on-the-job training,
22 and work experience relevant to the future. The
23 program is under the direction and supervision of
24 local councils, and associated local bodies such as
25 Housing Associations

26 Employment and training.
27 We agree broadly with Commission Counsel's terms and
28 conditions concerning the responsibility of owners,
29 contractors and unions as they relate to employment
30 and training in the proposed northern manpower

1 delivery system. Some terms and conditions, such
2 as those which refer to Commission Counsel's defini-
3 tions of "permanent northern resident" and "northern
4 resident" appear to us to be unnecessarily complex
5 and if accepted could lead to practical difficulties
6 during the pipeline construction. Because of the
7 detailed nature of this section, we are unable to
8 respond to each point proposed by Counsel at this
9 time. Of major concern, however, is the recommendation
10 that an independent N.M.D.S., that's our northern
11 manpower delivery system, be established to oversee
12 employment and training of northern residents during
13 construction of the pipeline project. It is felt that
14 N.M.D.S. as proposed by Commission Counsel would
15 establish a parallel structure that would duplicate
16 a wide range of services and programs already being
17 provided in the N.W.T. by the Federal Department of
18 Manpower & Immigration, and the Territorial Government's
19 Employment & Training Division.

20 Commission Counsel has
21 presented a number of explicit and implicit arguments
22 for the establishment of an independent N.M.D.S.
23 which include the following: That existing agencies
24 are not prepared in terms of planning to assume such
25 an undertaking. It is questionable whether the hypo-
26 thetical N.M.D.S. as proposed by Commission Counsel
27 is any more or less prepared than Canada Manpower
28 and the Government of the Northwest Territories who
29 at this time have many programs in place, that attempts
30 to employ native people in past projects and industrial

1 developments have been largely unsuccessful but this
2 generalization ignores progress made in encouraging
3 employers to provide jobs for native people in such
4 recent projects as the Nanisivik Mine and offshore
5 drilling in the Beaufort Sea, and in creating conditions
6 favorable to native participation through Hire North
7 and the rotating labor pool system employed at
8 Coppermine.

9 Counsel failed to indicate
10 how mechanisms such as these could be used as a
11 vehicle for employment of northern residents during
12 pipeline construction; that an independent structure
13 would be more flexible in responding to various
14 levels of employment demands than government. No
15 evidence is adduced to support this contention. If
16 demand for pipeline jobs by northern labor is very
17 low, as Counsel points out,

18 THE COMMISSIONER: Go back
19 to the beginning of this thought. You threw me off
20 for just a moment.

21 MR. PARKER: I'm sorry, I
22 should have used -- I had little (a)s, (b)s and
23 (c)s, but Commission Counsel's contention was that
24 an independent structure would be more flexible
25 in responding to various levels of employment demands
26 than government. No evidence is adduced to support
27 this contention. If demand for pipeline jobs by
28 northern laborers is very low, as Counsel points out
29 it might be there is no reason to assume present
30 systems could not cope. Addition of headquarters and

1 field staff of an independent N.M.D.S. would represent
2 less flexibility in allocating resources in such
3 circumstances, not more. If demand for jobs by
4 northerners is high during construction, it is readily
5 agreed that additional resources must be allocated
6 to provide adequate placement and counselling
7 services in the pipeline impact region.

8 (d) Again Commission

9 Counsel's contention, that government does not
10 possess the required manpower to properly co-ordinate
11 such an undertaking and that problems would be created
12 in non-hydrocarbon-related areas if all or part of
13 existing capacity were directed to the pipeline project.
14 The logic of these arguments is difficult to follow
15 when Counsel proposes in the specific recommendation
16 that N.M.D.S. borrow staff from existing agencies
17 to provide required staff.

18 While Counsel suggests that
19 the Government of the Territories and other agencies
20 would be involved in various aspects of planning,
21 policy-making, implementation and administration of
22 the proposed N.M.D.S., the means to ensure that the
23 lessons gained during the pipeline construction in the
24 Mackenzie are retained permanently in employment
25 practices and programs in the north are not made
26 clear. Important points are the following: With the
27 regular agencies -- will the regular agencies have
28 developed the infrastructure required to respond when
29 N.M.D.S. is phased out? Will the agencies be equipped
30 to meet extraordinary demands which may be placed upon

1 them in the future when other large-scale development
2 projects such as the Polar Gas Pipeline become
3 realities, or will they continue to play a secondary
4 role when it is deemed they cannot adequately meet the
5 requirements of future large-scale development
6 projects? The answer is one of growth and development
7 through experience.

8 The proposed N.M.D.S.
9 includes many services and programs which are already
10 available in some form through Canada Manpower or
11 Government of the Northwest Territories, and this paper
12 discusses three of these services. I don't think I
13 need to go into them. It's just a matter of record.

14 Northern business. We are
15 in general agreement with the analysis and recommen-
16 dations of the section on northern business, subject
17 to two reservations.

18 (a) that a number of recommendations do not appear
19 to take account of recent changes and developments
20 in government programs relating to northern business,
21 and (b) that some measures designed to stimulate
22 business or to ameliorate the inflationary impact
23 of the projects could be more appropriately administered
24 through the public sector than as a direct responsibility
25 of the pipeline company. Major points include the
26 following: Transportation.

27 Guarantees of contracts rather
28 than direct leasing by the company should enable
29 competent local carriers to obtain and operate
30 additional equipment for pipeline business.

Construction industry.

Funding has been provided to the Mackenzie Valley
Business Opportunities Board to research the
establishing of a bid depository and its initial
report is expected very soon. All businesses within
the valley have been contacted and those wishing
to, have been included on a listing maintained by
Territorial Supply Services and the Federal Department
of Supply & Services to ensure that they are given
first consideration to bid on government requirements.

The Northwest Territories

Housing Corporation has been encouraging local entrepreneurs or groups to take on contracts for the construction of housing (the major construction sector in most communities), and in many cases advertise the contracts only locally to ensure that local people have the first opportunity.

Dealing briefly with the wholesale - retail trade; commercial services, availability of loan capital, government programs and incentives, some of these are detailed in here and I won't read them but they're part of the record.

The need to include substantial training component to develop skills; and small, high cost local markets make it necessary to provide ongoing government subsidies at the early stage of many small businesses based on N.W.T. markets. These factors, plus the advent of the Inuit Development Corporation and the expectation of a Dene Development Corporation and today the confirmation of the plans for a Metis Development Corporation, when land claims are settled may make the concept of a self-financing N.W.T. Development Corporation premature or redundant.

Special loan funding to maintain a flow of resources to and services in non-pipeline related uses will be required during the construction phase to assist entrepreneurs to overcome cost-push and labour shortage problems anticipated by Counsel.

1 Counsel is concerned with over
2 expansion of northern businesses for short term
3 projects. It has been pointed out in hearings that
4 entrepreneurial opportunities on which government
5 has concentrated its studies are those with long-
6 term prospects.

7 We also make a comment in here
8 on bonding.

9 Then turning to regulation of
10 business. The Government of the Northwest Territories
11 has been engaged over the last year in developing
12 a Business Advisory Group which would have the broad
13 role envisioned by Counsel. Although its role is not
14 finalized as yet it has been proposed that it would
15 act as an advisory body to both Federal and
16 Territorial Governments, the business community and
17 any resource development company.

18 It is suggested that membership
19 would include representation from the various native
20 organizations, governments and business associations
21 such as the Chamber of Commerce and Chamber of Mines.

22 Regional Stability and Growth -
23 Commission Counsel recognizes a need to develop a
24 balanced regional economy, including a healthy land-
25 based component. Pipeline construction is seen as likely
26 to cause shortages of goods and services in the region,
27 in the short term, and in the long run to distort the
28 distribution of income.

29 In general, Counsel proposed that
30 a negative approach should be taken to employment of

1 regional labour on the pipeline during construction,
2 and that regional businessmen should not be allowed to
3 excessively concentrate in quick pay-off pipeline-
4 related ventures. It further proposes specific
5 measures to maintain resources in important non-pipeline
6 related activities.

7 The aims of Counsel's approach
8 in this section are fully supported, but some of the
9 proposed mechanisms we believe to be impractical or
10 based on faulty analysis.

11 1. It is agreed that the
12 benefits to native labour would be more long-lasting
13 and substantial from long-term, permanent employment
14 than from short-term construction jobs to the extent
15 that training of normal work patterns are disrupted.
16 Nonetheless, demand by people for short term jobs to
17 provide cash supplement to other forms of income is
18 to be expected.

19 2. Attempting to prohibit
20 local businesses from participating in pipeline-
21 related ventures does not seem desirable or even
22 practical. Counselling and information services
23 to assist the business community to benefit from the
24 project will be required. Preferences and special
25 arrangements advocated for local businesses particularly
26 in the transportation sector would appear to be
27 inconsistent with the thrust of Counsel's recommendations
28 regarding the local business sector.

29 3. Direct participation by the
30 company in certain sectors peripheral to construction

1 and operation of a pipeline is not seen as a desirable
 2 mechanism to achieve regional stability and growth.
 3 Provision of transportation ^{systems} by the company (utilizing
 4 southern resources) represents an alternative to
 5 dependence on the regional system which could be
 6 expanded by the private sector on the strength of
 7 contracts with the company.

8 4. Proposals that the company
 9 purchase transportation infrastructure needed for joint
 10 use by the company and communities, that the funds be
 11 directed to related uses and that ownership revert to
 12 the original owners seem overly restrictive to the
 13 communities as well as the company. Making the
 14 company responsible for recruiting and training
 15 replacements for critical community jobs is unlikely
 16 to increase the efficiency of the project or to maintain
 17 community services.

18 5. Counsel's recommendations
 19 on price and wage controls do not appear to take
 20 account of reactions of suppliers and producers who
 21 will be competing in active markets. A price freeze on
 22 all transportation modes prior to pipeline construction
 23 hardly seems likely to maintain the availability of
 24 services in this sector, especially amongst private
 25 sector firms.

26 6. It is recommended that
 27 wages and other costs of selected key local firms
 28 be subsidized to enable these firms to remain in
 29 business and that subsidies should be at a level to
 30 maintain a "normal" rate of return only. Such an

1 approach to regulation and monitoring we feel would be
2 impractical and that more efficient and equitable
3 means to combat the problems exist.

4 7. One of the major
5 counterbalances to inflationary effects of the project
6 must be the incomes earned by local residents through
7 participation in the project itself. To the extent
8 residents are discouraged from participation, their
9 ability to protect themselves from cost rises is
10 diminished.

11 8. The importance of public
12 sector intervention in the form of continuing
13 provision of housing to northern residents, subsidized
14 rents and utilities and provision of municipal
15 infrastructure will play a very important role in
16 reducing the inflationary impact of the project on
17 northern residents.

18 9. Contrary to Counsel's
19 assertion, levels of welfare outlays in the N.W.T.
20 are not determined nationally nor are they insensitive
21 to rapid price escalation. Social assistance
22 payments are linked by regulation to community-by -
23 community cost indexes that are raised at appropriate
24 intervals. The schedule is currently being raised to
25 reflect increases in the cost of living that have
26 occurred during the last two years, and may be raised
27 as frequently as required.

28 10. The need to increase the
29 loan capital flows available to meet higher wage and
30 capital costs in non-pipeline as well as pipeline-

1 related sectors has been noted in our comments on
2 "Northern Business."

3 11. The issue of lack of
4 government support for small-scale sawmills raised
5 in the section on "Native Land Claims" simply has
6 no basis in fact, since without the extensive financing
7 of plant and inventory, technical and management
8 assistance and marketing efforts which government has
9 provided the mill at Fort Resolution would not have
10 functioned during the past three years. Funding for
11 essential community enterprises would continue if
12 unemployment persisted.

13 12. To strengthen the
14 two-way connections between subsistence and industrial
15 economies of the north, aspects of the Territorial
16 Government that impinge on those patterns should be drawn
17 together. For example, economic development, game
18 management, and tourism.

19 The areas of economic
20 development and tourism are combined in a department
21 known as Economic Development & Tourism. Economic
22 Development & Tourism, the Fish & Wildlife Service and
23 other departments have a close liaison through the
24 regional planning process established for the Mackenzie
25 Region in 1975.

26 13. In the section on
27 regional economic planning, Counsel recommends that
28 the planning function of the authority be married
29 with regional planning being carried out by both
30 the Territorial Government and the Federal Government.

1 We do not see the authority having a planning
2 section under than some amalgam of these two bodies
3 as this would be extreme bureaucratic overbuilding
4 and would serve no useful purpose that we can see.

5 In relation -- 14 , in
6 relation to recommendations No. 2 and 5, Counsel
7 suggests involvement of local peoples in all types
8 of planning activities. We must point out that
9 this has proved an extremely difficult process for
10 our regional planning to date due to differential
11 perceptions inside and outside government of the
12 purpose and value of development planning. Government
13 must make contingency plans based on the premise
14 that hydrocarbon development is at least a likely
15 possibility. Where communities do not accept
16 this premise, it becomes impossible for them to
17 address issues they do not regard as real or probable.
18 They therefore tend to regard government planning
19 as a meaningless exercise and consequently may not
20 wish to become involved.

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1 I have a section following on
2 decentralization and I think I won't read this section.
3 The Territorial Government is embarking on a new
4 program to put to the communities as many of the areas
5 of local decision-making that they are in a position
6 to accept. This is not a case of us forcing but of
7 us trying to place the action in front of the people
8 if this is their desire. I would commend the section
9 to you, Mr. Commissioner, as evidence because I think
10 it outlines, from a policy standpoint, our earnest
11 desire to place this kind of decision-making before the
12 people of each of the communities.

13 Areas where the Government of the
14 Northwest Territories feels recommendations could be
15 stronger. There are certain recommendations of Counsel
16 which we feel do not go far enough towards achieving
17 their objectives. Liquor in camps.

18 The Government of the Northwest
19 Territories feels strongly that liquor should not be
20 available in construction camps. We believe this is the
21 only way to deal with the problem because even the
22 controlled use of alcohol in camps in a manner outlined
23 in Counsel's recommendation number 10 could not prevent
24 incidents which would jeopardize harmonious working
25 relationships, the safety of individuals and the
26 general safety levels on the job. We believe that this
27 view would be supported by the majority of workers who
28 wish to save money on the job and who will have ample
29 time for spending while on leave in the south.

30 The enforcement of existing

1 legislation by R. C. M. P. would not be anymore successful
2 in the camp situation than it is in communities. It
3 would also require an unreasonably frequent availability
4 of R. C. M. P. staff.

5 By the time a pipeline con-
6 struction project may be underway, it is conceivable
7 that many communities in the Mackenzie Valley will have
8 asserted their right to go dry. We are, therefore,
9 very concerned about the effects which the availability
10 of liquor in camps might have on these communities
11 especially where camps are located close to a
12 community.

13 Forest protection. In relation
14 to this section on Counsel's submission, the Territorial
15 Government would welcome the development of a Federal
16 Forest Protection policy which would have as its
17 primary goal the protection of wildlife habitat rather
18 than being heavily oriented towards timber harvesting
19 concerns. Wildlife is of greater resource value to
20 natives of the Territories than is timber.

21 Housing. Counsel recommends that
22 the design structures provided by the company for
23 possible later use as housing in communities should be
24 carried out with the advice of the Housing Corporation.
25 The government feels that the Housing Corporation should
26 in fact approve these designs to ensure that they will
27 be suitable for later use in accordance with accepted
28 northern standards.

29 Access to communities. It is
30 the belief of the Territorial Government that while camp/

1 community contact should be kept to a minimum, this
2 should be done only insofar as the relevant community
3 desires. The company should be required to negotiate
4 the degree of contact wished by each community along
5 the construction route. Naturally the government would
6 wish to be a party to any such negotiations and a close
7 observer and perhaps advisor.

8 Where a community wishes it,
9 a no-contract rule should be implemented. We feel
10 a greater flexibility than allowed for by Counsel is
11 desirable.

12 My final section is on the
13 timing of major development. Counsel's--Commission
14 Counsel's recommendation of a ten to fifteen year freeze
15 on major development following a land claim settlement
16 is perhaps the recommendation with the most far-
17 reaching implications.

18 This recommendation brings
19 into focus all the questions of the readiness of the
20 native people to handle major developments; whether
21 or not institutions, structures and programs flowing
22 from the land settlement can survive and grow in the
23 absence of major economic development, and whether the
24 social structure of the native people would be weakened
25 or strengthened by a freeze.

26 With the full knowledge that
27 economic and social changes for better or for worse
28 have been part of the fabric of northern life for many
29 years and bearing in mind that the very high proportion
30 of the native population which is either in school or

1 approaching school age we sincerely question whether
2 or not a distinctly slower pace can be accommodated
3 by this growing population. We understand well the
4 need for time for the native people to gain experience
5 and confidence, the dilemma lies in the choice of that
6 period, given the pressures and restrictions imposed
7 from so many directions.

8 Finally, sir, may I congratulate
9 your staff for the sincere manner in which they have
10 approached their task and for the very hard and careful
11 work which they have done. Again, I thank you for this
12 opportunity.

13 THE COMMISSIONER: Thank you,
14 Mr. Parker. Thank you very much.

15 MR. SCOTT: Are you there,
16 Mr. Commissioner. I can't see you.

17 THE COMMISSIONER: Mr. Scott,
18 I think I should say that I am grateful to the
19 Executive Branch of the Government of the Northwest
20 Territories for putting together as quickly as they
21 had to their comments on Commission Counsel's submission.
22 If you're still there, Mr. Scott, I want to thank you
23 and Dr. Fyles, Mr. Wick and the members of the Inquiry
24 appraisal team for putting together, as quickly as you
25 had to do, the submissions that were circulated to all
26 parties.

27 You got them all very angry with
28 you, so you must have been doing something right. You
29 managed to smoke them all out and I think that you made
30 this week of presentation of final submissions much more

1 helpful to me than it would have been otherwise. If
2 you're still there, you might advise me whether there's
3 any further business to be transacted.

4 MR. SCOTT: Well, apparently
5 there is, sir. The cameras would not be present. I
6 can tell you, sir, for our part that that is the
7 completion of the summaries that the participants wish
8 to make to you. It's understood, as I have it, that
9 those who wish to do so will be entitled to make more
10 detailed submissions which must be circulated to all
11 other participants and in hand by December 6th.

12 Anything received after that
13 date will be destroyed before reading.

14 THE COMMISSIONER: Well, I assume
15 that that date was worked out in consultation among
16 all counsel. If anyone should require an extension,
17 they should write to me and send a copy of their
18 request to all parties. We'll try to accommodate
19 you.
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Before making a few closing remarks,
1 may I thank the pipeline companies, the native organizations,
2 the environmental organizations, the Association of
3 Municipalities, the Chamber of Commerce, the Mental Health
4 Association, and Imperial, Gulf and Shell for their
5 cooperation and assistance throughout the life of the Inquiry.

6 I want to thank, as well, all of
7 the lawyers, both professional and lay who participated
8 because they showed throughout willingness to get along
9 with the business of the Inquiry that made it possible for
10 us to complete our work in good time. I think that I
11 should thank the Secretary of the Inquiry, Miss Hutchinson
12 and her staff; in particular Miss Carriere and Mrs. Trent.
13 A special mention to the Allwest team, the Court Reporters,
14 both here at the formal hearings and those who have gone
15 with me to the community and southern hearings, the
16 typists and printers who put out the transcripts and
17 worked hard and for many long hours on the Inquiry's behalf.

18 May I also thank the representa-
19 tives of the media, radio, press and television, who have
20 cooperated with the Inquiry and have not obtruded until
21 this very moment. May I in particular express my thanks to
22 my friends of the C.B.C. broadcasting team who travelled with
23 me throughout the Mackenzie Valley and the western Arctic;
24 Whit Fraser, Jim Sittichinli, Abe Okpik, Louis Blondin and
25 Joe Tobie.

26 I should thank as well all of the
27 witnesses who gave evidence, the people in the communities
28 and those who gave evidence here at the formal hearings.

29 Sitting here in Yellowknife, we
30 sometimes forget how vast the North is. That is why we
have taken the Inquiry from Sachs Harbour to Fort Smith,

1 from Old Crow to Fort Franklin, to every city and
2 town, settlement and village in the Mackenzie Valley
3 and the Western Arctic.

4 The issues the Inquiry is facing
5 are profound ones: issues relating to the construction
6 of northern pipelines, the claims of northern peoples,
7 the protection of the environment, and indeed the future
8 of the North.

9 There is no consensus among
10 Northern peoples about these issues. There was no
11 consensus when we began, there is no consensus today.

12 People here in the North have
13 strong feelings about these questions. They have been
14 heard. I have considered the evidence of 1,000
15 witnesses of all northern races; white, Indian, Metis
16 and Inuit at the community hearings.

17 There are differences among
18 Northern peoples, and they are deeply felt but it is
19 better to have those differences out in the open, rather
20 than to pretend they do not exist. We cannot determine
21 what the impact of industrial development will be in the
22 North unless we understand the real goals of the people
23 who live here.

24 What will be the impact of a
25 pipeline on the Northern economy? What will be the
26 impact on the Northern environment? Will the
27 construction of the pipeline enhance of the achievement
28 of the goals of Northern peoples or will it retard the
29 achievement of those goals?

30 The time is soon arriving when we

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1 | homeland, will tell us something about what kind of
2 | country Canada is, what kind of people we are.

3 | The Inquiry stands adjourned.

4 | You will be hearing from me.

5 | (PROCEEDINGS CONCLUDED)

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